

### Investment Objective

The Strategy aims to generate long term capital appreciation by creating a focused portfolio of high growth stocks having the potential to grow more than the nominal GDP for next 5-7 years across and which are available at reasonable market prices.

### Key Features

1. Small cap oriented portfolio which invests in Companies with high earnings growth.
2. Identifying companies in early stages which has the potential to become midcap or large cap resulting in wealth creation
3. Around 60% of the portfolio is in small cap and the balance is in midcap
4. 9+ Years Track record across market cycles
5. Focused portfolio of 24 stocks

### Portfolio Attributes

1. Key sector allocation is to banks, NBFC and consumer oriented businesses.
2. For Q1FY20, IOP Portfolio delivered earnings growth of 20.3% (excluding IIFL Finance) vis-a-vis negative earnings growth of (-)28% for the Nifty Smallcap 100 Index
3. Portfolio earnings have maintained their high trajectory although stock prices have corrected in the past one year. This has been on account of the broad based selling in the small cap segment
4. Portfolio is currently at trailing P/E is of 28 and high ROE of 15%

### Portfolio Actions in last 6 months

**Companies Exited:** 5Paisa Capital, IIFL Wealth Management

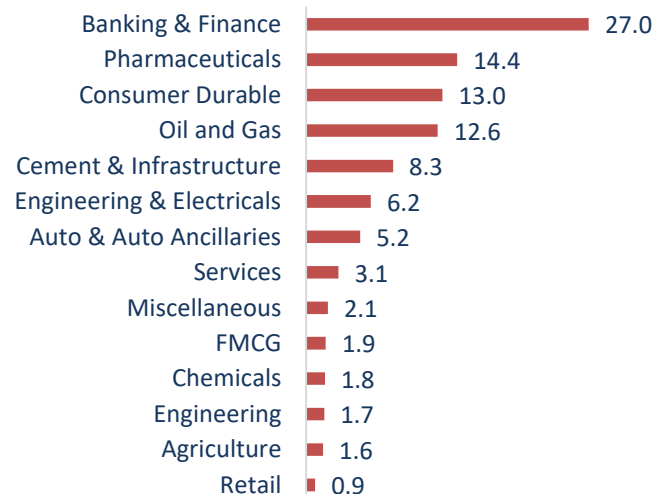
### How Buy Right : Sit Tight works

Company	Initial Purchase Date	Market Cap Rs. Crores (Purchase Date)	Market Cap Rs. Crores (30 <sup>th</sup> Sep 19)	Absolute Growth	CAGR (%)
DCB Bank	Aug-16	3,038	6,055	2.0X	24%
Mahanagar Gas	Aug-16	5,061	9,006	1.8X	20%
Aegis Logistics	Aug-16	4,100	6,156	1.5X	14%

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

### Top 10 Holdings & Sectoral Allocation

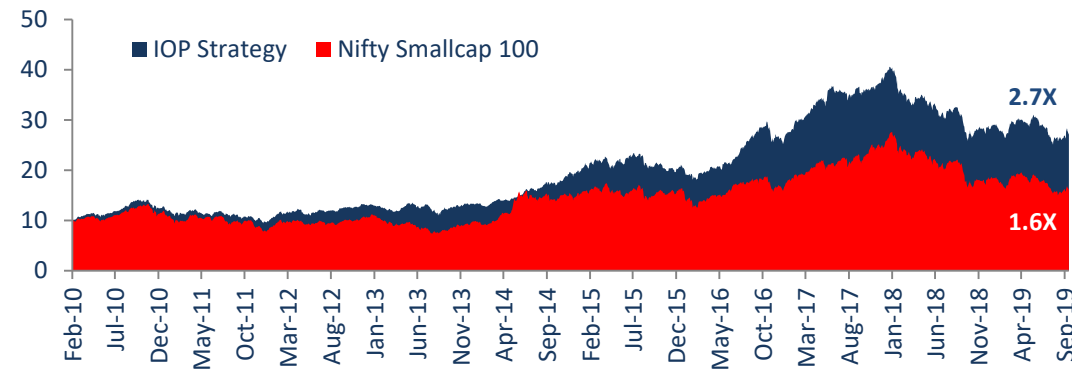
Scrip Names	% Holdings
DCB Bank Ltd.	11.3
AU Small Finance Bank Ltd.	7.6
TTK Prestige Ltd.	7.4
Birla Corporation Ltd.	7.0
Aegis Logistics Ltd.	6.5
Blue Star Ltd.	6.2
Mahanagar Gas Ltd.	6.1
Alkem Laboratories Ltd.	5.7
Can Fin Homes Ltd.	5.7
Kajaria Ceramics Ltd.	5.6



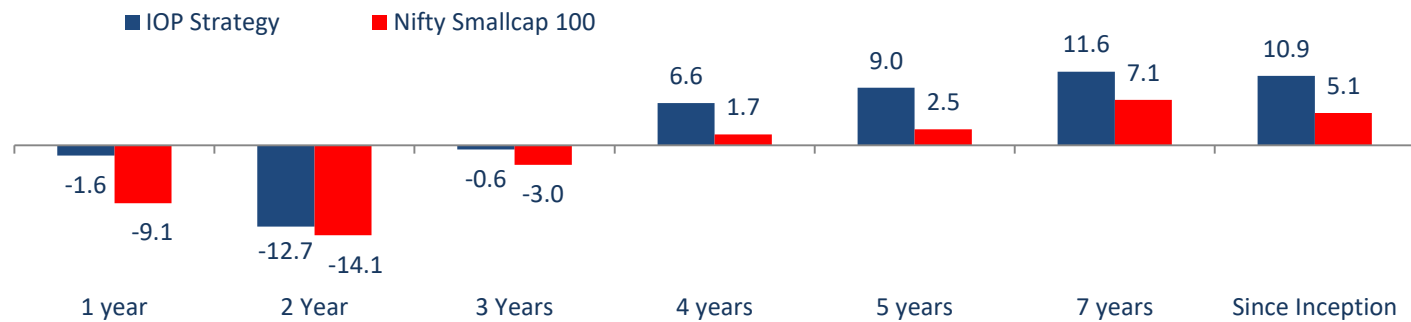
### Disclaimers and Risk Factors

IOP Strategy Inception Date: 15<sup>th</sup> Feb 2010; Data as on 30<sup>th</sup> September 2019; Data Source: MOAMC Internal Research; RFR – 7.25%; \*Earnings as of June 2019 quarter and market price as on 30<sup>th</sup> September 2019; Source: Bloomberg consensus, Capitaline and Internal Analysis; Please Note: The above strategy returns are of a Model Client as on 30<sup>th</sup> September 2019. 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 IOP 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



IOP Strategy has delivered a CAGR of 10.9% vs. Nifty Smallcap 100 returns of 5.1%, an outperformance of 5.8% (CAGR) since inception (15<sup>th</sup> February 2010)



## Fund Contributors (1 Year Trailing 30<sup>th</sup> September 2019)

Top 5	Contribution
Development Credit Bank	2.7%
Can Fin Homes	2.2%
Dr. Lal PathLabs	1.8%
Kajaria Ceramics	1.8%
Blue Star	1.7%

Bottom 5	Contribution
Dishman Carbogen Amcis.	-1.6%
Lakshmi Vilas Bank	-1.7%
ITD Cementation India	-1.7%
IIFL Finance	-1.9%
Qess Corp	-2.5%

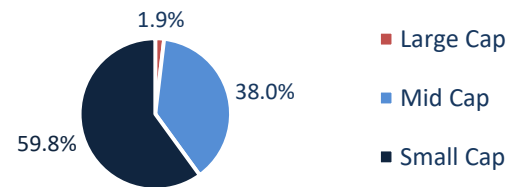
## Ageing

Number of Scrips	Holding Period
13	> 3 Years
7	> 2 Years but < 3 Years
4	< 2 Years

The average holding period for stocks held under IOP Strategy is over 2 years and 7 months

\*IOP was repositioned as a Small Cap Strategy in July 2016

## Market Capitalization



Weighted Average Market Cap Rs. 8,820 Crs

## \*Portfolio Fundamentals

	TTM	FY20E	FY21E
PAT Growth	18%	25%	22%
RoE	15%	18%	19%
PE	28	22	18

## Risk Ratios

3 Year Data	Strategy	Benchmark
Churn Ratio	15.1%	-
Standard Deviation	16.2%	19.8%
Beta	0.6	1.0
Sharpe Ratio	-1.5	-1.9

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