

## Investment Approach

**Strategy Name:** Indian Opportunity Portfolio Strategy

**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 market capitalization and which are available at reasonable market prices.

**Description of types of securities:** Equity

**Types of securities selected as part of the investment approach:** Focus on Sectors and Companies which promise a higher than average growth. Concentration on emerging Themes. 15-20 high conviction stock portfolio.

**Allocation of portfolio across types of securities:** The strategy seeks to primarily invest in Equity and Equity-related instruments of small cap and mid cap companies. However, the strategy has the flexibility to invest in companies across the entire market capitalization spectrum

**Benchmark:** Nifty Small Cap 100 TRI

**Investment Approach:** "Buy & Hold" Strategy

**Indicative tenure or investment horizon:** Long Term

## Key Features & Portfolio Attributes

1. Small cap oriented portfolio which invests in companies with high earnings growth.
2. Identifying companies in early stages which have the potential to become midcap or large cap resulting in wealth creation
3. 10+ years track record across market cycles. IOP has delivered outperformance over the benchmark in 4 of the last 5 FYs
4. High quality concentrated portfolio of 22 stocks
5. Index agnostic: ~92% away from benchmark Nifty Smallcap 100
6. Key sector allocation is to Oil and Gas, Consumer-oriented businesses, Pharmaceuticals

## Portfolio Actions in last 6 months

- **Companies Added:** Reliance Industries, Larsen & Toubro Infotech, Sun Pharmaceuticals
- **Companies Exited:** AU Small Finance bank, DCB Bank, IIFL Finance, IIFL Securities

## How Buy Right : Sit Tight works

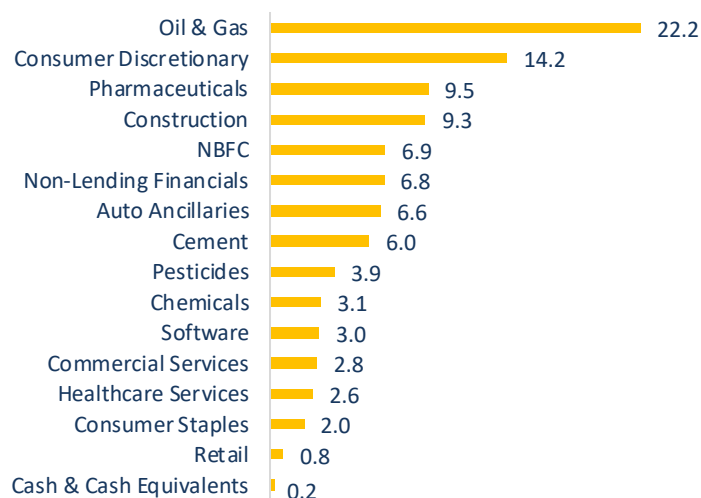
Company	Initial Purchase Date	Market Cap Rs. Crores (Initial Purchase Date)	Market Cap Rs. Crores (31st Oct 20)	Absolute Growth	CAGR (%)
Mahanagar Gas	Aug-16	5,059	8,051	1.6X	12%
Alkem Laboratories	Jan-17	19,845	31,496	1.6X	13%

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

## Top 10 Holdings & Sectoral Allocation

Scrip Name	% Holding
Reliance Industries Ltd.	8.7
Kajaria Ceramics Ltd.	8.0
Alkem Laboratories Ltd.	8.0
Aegis Logistics Ltd.	7.8
TTK Prestige Ltd.	7.1
Can Fin Homes Ltd.	6.9
ICICI Securities Ltd.	6.8
Birla Corporation Ltd.	6.0
Mahanagar Gas Ltd.	5.7
Gabriel India Ltd.	4.8

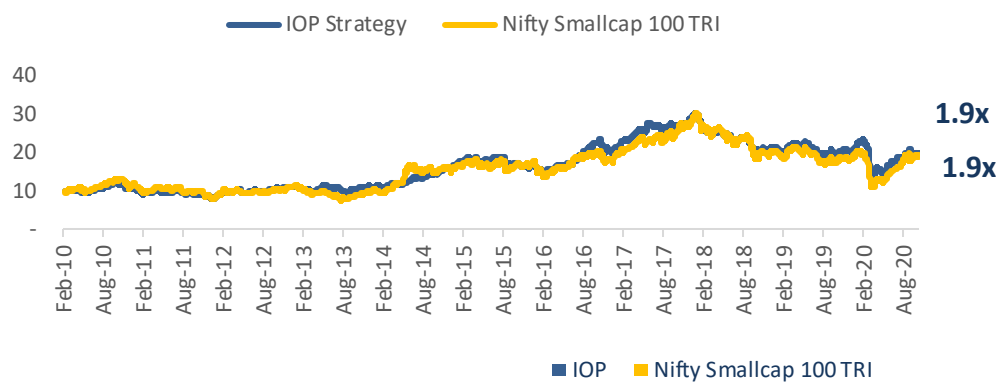
*Please note that the above holdings are of the old model portfolio. We may or may not invest in the above stocks for prospective investors and for fresh top-up allocations. Prospective investors may have differing portfolios depending on the time of entry into the strategy.*



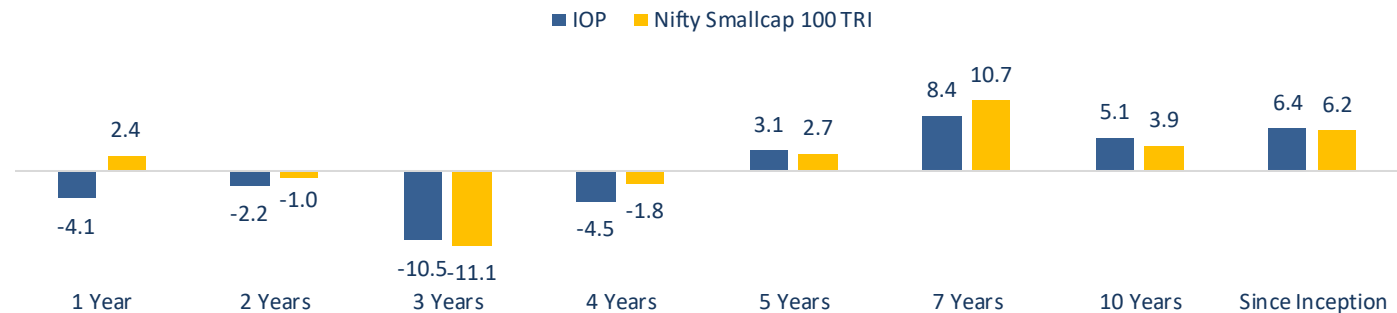
## Disclaimers and Risk Factors

IOP Strategy Inception Date: 15<sup>th</sup> Feb 2010; 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 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.

## Performance Since Inception



IOP Strategy has delivered a CAGR of 6.4% vs. Nifty Smallcap 100TRI returns of 6.2%, an outperformance of 0.2% (CAGR) since inception (15<sup>th</sup> February 2010)



Disclaimer: Performance related information is not verified by SEBI

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

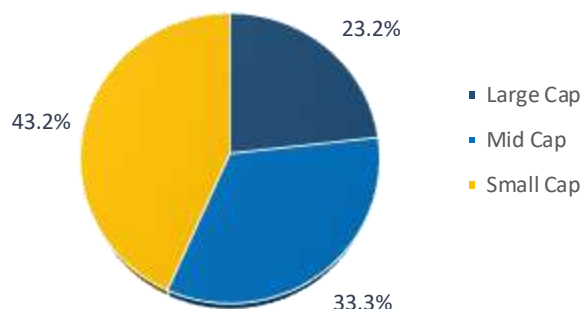
Top 5	Contribution
Dr. Lal PathLabs Ltd.	4.5%
Alkem Laboratories Ltd.	2.1%
Dhanuka Agritech Ltd	1.2%
Bayer CropScience Ltd/India	1.1%
Glaxosmithkline Consumer Healthcare	0.6%

Bottom 5	Contribution
Gabriel India Limited	-3.0%
Birla Corporation Limited	-3.4%
Dishman Carbogen Amcis Ltd.	-3.9%
Lakshmi Vilas Bank Ltd.	-4.7%
Development Credit Bank Limited	-5.7%

## \*Portfolio Fundamentals

	TTM
PAT Growth	-1%
RoE	13%
PE	20

## Market Capitalization



## Risk Ratios

3 Year Data	Strategy	Benchmark
Churn Ratio	10.3%	-
Standard Deviation	20.7%	23.7%
Beta	0.76	1
Sharpe Ratio	-3.9	-4.6

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. 1,34,939 Crs

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