

# VALUE MIGRATION STRATEGY

August 2023 (Data as on 31<sup>st</sup> July 2023. Inception date – 18<sup>th</sup> February 2003)



## INVESTMENT APPROACH

**Strategy Name:** Value Migration Strategy

**Investment Objective:** The 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.

**Benchmark:** S&P BSE 500 TRI

**Indicative tenure or investment horizon:** Medium to Long term



## KEY FEATURES & PORTFOLIO ATTRIBUTES

20+ years track record with annualized return of 18.9% since inception.

Concentrated portfolio of 28 stocks with high earnings growth

Index agnostic: ~88% away from benchmark BSE 500.

Multicap oriented portfolio



## PORTFOLIO ACTIONS IN LAST 3 MONTHS

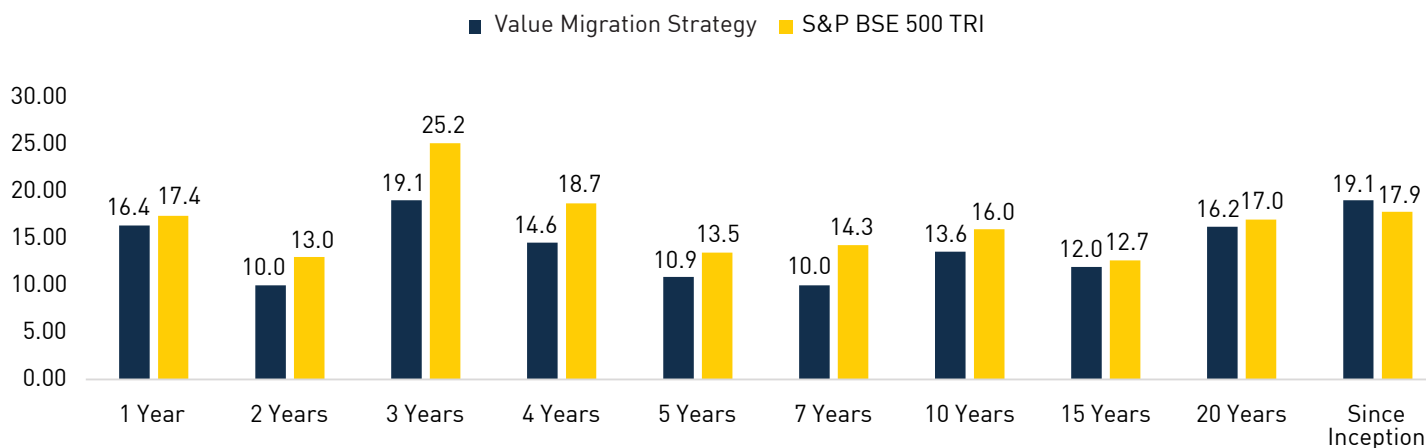
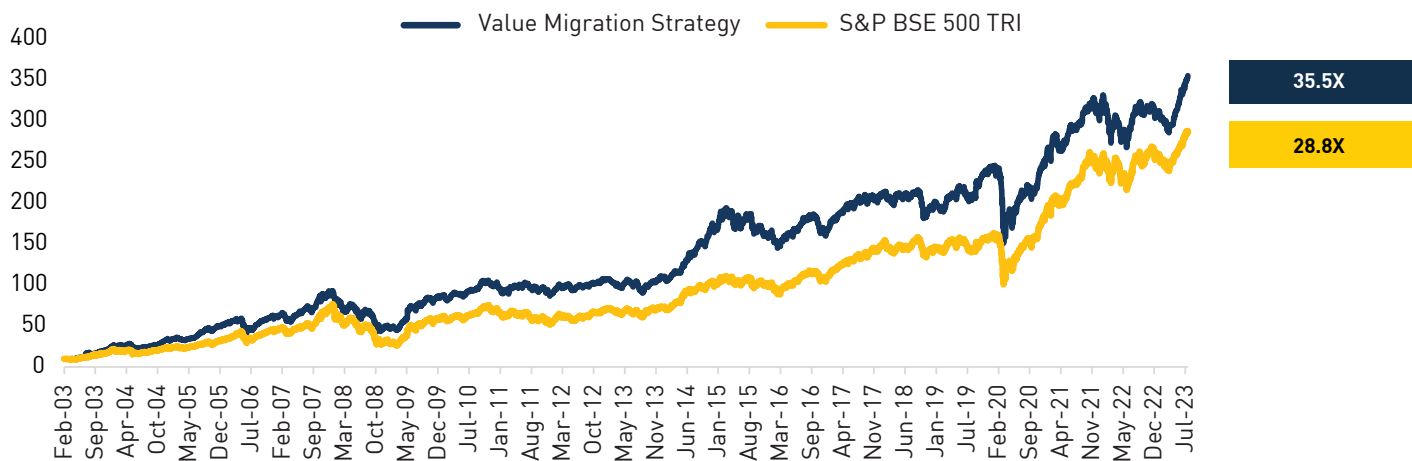
**Companies Added:** FSN E-Commerce Ventures, Kalyan Jewellers India, Kaynes Technology India, Tech Mahindra, eMudhra

**Companies Exited:** Axis Bank, HDFC Bank, SBI Life Insurance Company



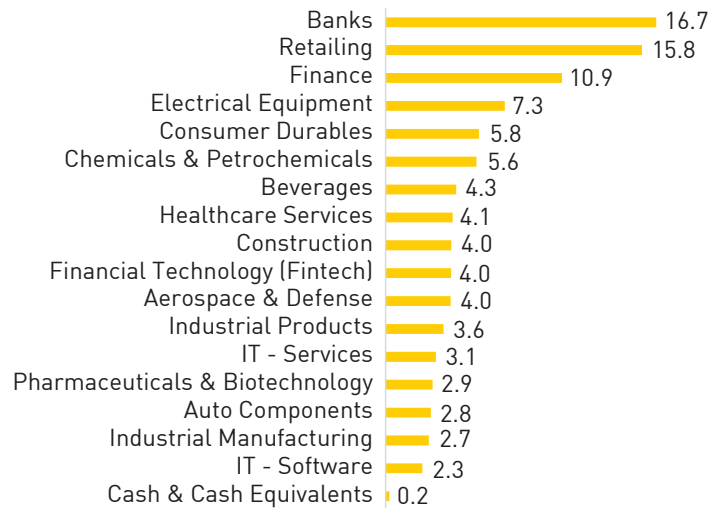
## PERFORMANCE SINCE INCEPTION

One lac invested in the strategy on 18th Feb 2003 would have grown to ₹ 35.5 lacs today against ₹ 28.8 lacs invested in Benchmark



## TOP 10 HOLDINGS & SECTORAL ALLOCATION

Scrip Name	(%) of Holding
Zomato Ltd.	5.1
Indusind Bank Ltd.	4.8
IDFC First Bank Ltd.	4.7
Radico Khaitan Ltd.	4.3
Medplus Health Services Ltd.	4.3
Global Health Ltd.	4.1
Larsen & Toubro Ltd.	4.0
One 97 Communications Ltd.	4.0
Bharat Electronics Ltd.	4.0
ABB India Ltd.	4.0



## STRATEGY CONTRIBUTORS (3 Year Trailing)

Top 5	Contribution
ICICI Bank Ltd.	22.0%
Larsen & Toubro Ltd.	16.7%
Tube Investments of India Ltd.	10.9%
Bharti Airtel Ltd.	9.3%
HCL Technologies Ltd.	8.1%

Bottom 5	Contribution
SBI Cards & Payment Services Ltd.	-6.2%
Dr. Reddys Laboratories Ltd.	-4.5%
AU Small Finance Bank Ltd.	-2.5%
Infosys Ltd.	-1.6%
SBI Life Insurance Company Ltd.	-1.1%

## RISK RATIOS

3 Year Data	Strategy	Benchmark
Standard Deviation	13.7%	14.5%
Beta	0.9	1.0
Sharpe Ratio	1.0	1.4

## PORTFOLIO FUNDAMENTALS & MARKET CAP

3 Year Data	Weightage
Large Cap	41%
Mid Cap	25%
Small Cap	34%
Cash & Equivalents	0%

QGLP Metrics	Value
Q: ROE FY25E	15%
G: PAT Growth FY23-25E	33%
P: PE FY25E	25x

## HOW BUY RIGHT : SIT TIGHT WORKS

Company	Initial Purchase Date	Market Cap (Initial Purchase date)*	Current Market Cap	Absolute Growth	CAGR (%)
ICICI Bank Ltd.	3-Oct-17	1,78,640	6,98,572	3.9X	26%

\*Market cap in crores

**Disclaimers and Risk Factors:** Value Migration Strategy Inception Date: 18th Feb 2003; Data as on 31st July 2023; Data Source: MOAMC Internal Research; 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.

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