



MOTILAL OSWAL ETHICAL STRATEGY

September 2023
(Data as on 31st August 2023.
Inception date - 8th June 2021)

Investment Approach

Strategy Name: Ethical Strategy

Investment Objective: The investment objective of the Scheme is to provide medium to long- term capital gains by investing in Ethical equity and equity related instruments across market capitalization

Description of types of securities: Listed Equity

Basis of selection of such types of securities as part of the investment approach: Bottom up stock selection based on Motilal Oswal Asset Management's "QGLP" investment philosophy

Allocation of portfolio across types of securities: The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

Benchmark: S&P BSE 500 TRI

Investment horizon: Medium to Long term

Key Features & Portfolio Attributes

Concentrated portfolio of 19 stocks with high earnings growth.

Index agnostic: ~96% away from the benchmark BSE500.

Portfolio Actions In Last 3 Months

Companies Added: Pricol

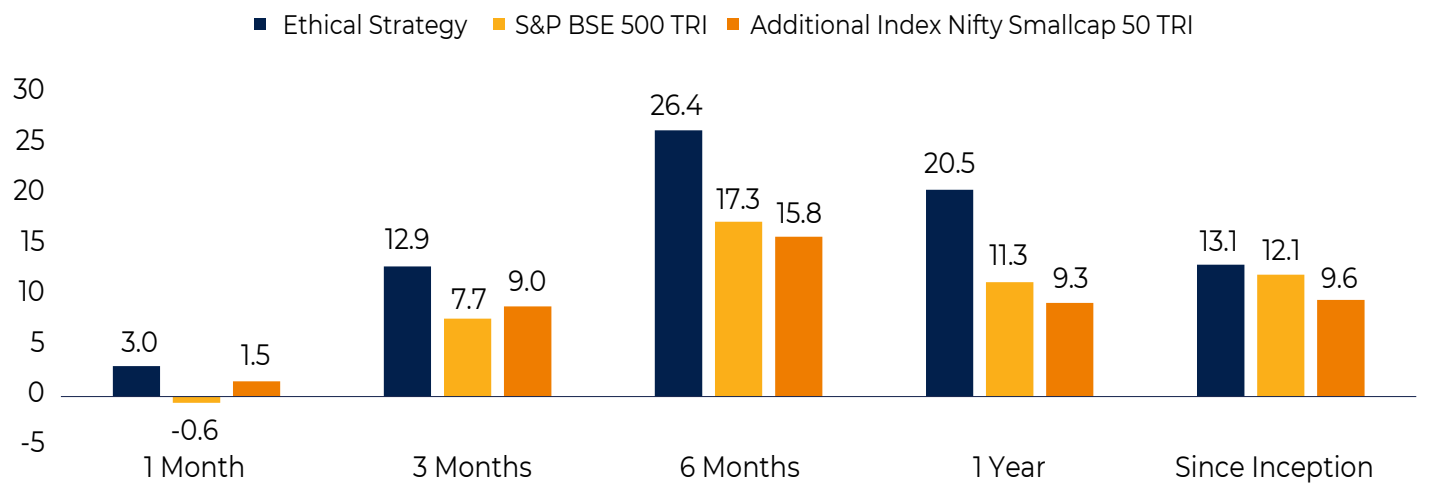
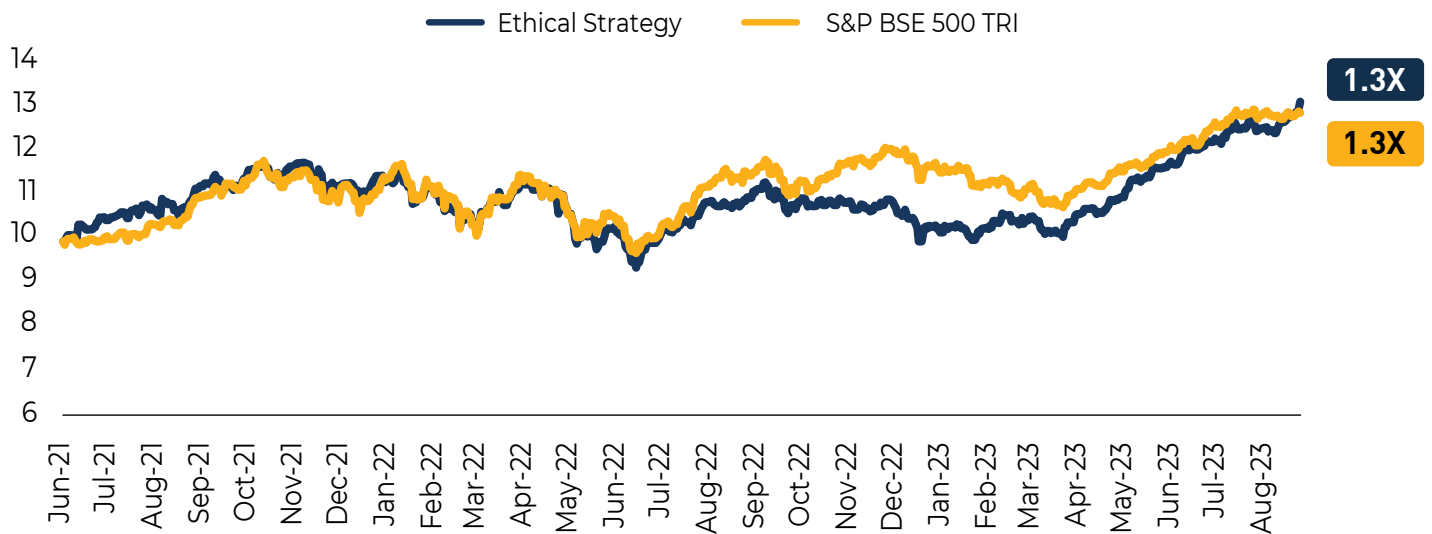
Companies Exited: Minda Corporation

THINK EQUITY. THINK MOTILAL OSWAL.

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.

Performance Since Inception

One lac invested in the strategy on 8th Jun'21 would have growth to ~₹ 1.32Lacs today against ~₹ 1.29 Lacs invested in the benchmark



Portfolio Fundamentals & Market Cap

Market Cap	Weightage
Large Cap	35%
Mid Cap	16%
Small Cap	49%
Cash & Equivalents	0%

Fund Details

Fund Manager	Vaibhav Agrawal
Strategy Type	Open ended
Date of Inception	8 th June 2021
Benchmark	S&P BSE 500 TRI
Investment Horizon	3 Years +

Top 10 Holdings & Sectoral Allocation

Scrip Name	(%) Holding
Kei Industries Ltd.	8.1
Cg Power And Industrial Solutions Ltd.	7.7
Birlasoft Ltd.	6.9
Krishna Institute Of Medical Sciences Ltd.	5.9
Kirloskar Oil Engines Ltd.	5.7
Bharat Electronics Ltd.	5.7
Global Health Ltd.	5.3
Tube Investment Of India Ltd.	5.2
Siemens Ltd.	5.2
Ultratech Cement Ltd.	5.1
Finolex Cables Ltd.	4.8
H C L Technologies Ltd.	4.7
Pricol Ltd.	4.7
Century Plyboards (India) Ltd.	4.6
Ltimindtree Ltd.	4.5
Timken India Ltd.	4.5
Apollo Hospitals Enterprise Ltd.	4.4
Cummins India Ltd.	3.4
Jamna Auto Industries Ltd.	3.4

Sector Name	(%) Allocation
Industrial Products	26.5
IT - Software	16.1
Healthcare Services	15.6
Auto Components	13.2
Electrical Equipment	12.8
Aerospace & Defense	5.7
Cement & Cement Products	5.1
Consumer Durables	4.6
Cash and Cash Equivalents	0.3

Stock Rationale (quarter ending 30 June 2023)

• Ethical Strategy

Entry Rationale:

Cummins India Ltd.

- Management has reiterated expectations of a sustainable growth trajectory for Cummins at twice the pace of GDP in the medium term, anchored by demand from data centres, infrastructure, real estate and hospitality
- There is visibility for sustained long-term growth in the domestic power genset market (and for strong exports), with Cummins best positioned to manage the ongoing transition to new emission norms

Exit Rationale:

L&T Technology Services Ltd.

- IT services are expected to have lower demand in the near term.

Infosys Ltd.

- Global uncertainties and economic slowdown may impact the automation spend and result in delays in investment decisions in North America from where the company earns its majority of the revenue (~40%)
- IT services are expected to have lower demand in the near term.

Page Industries Ltd.

- Revenue growth rate momentum for PAGE has decelerated sharply (to 14% CAGR FY18-23) compared to peers despite aggressive retail expansion (at 22% CAGR FY18-23) and venturing into multiple segments

Unichem Laboratories Ltd.

- Exited for better opportunities

Disclaimers and Risk Factors

FMS Strategy Inception Date: 24th Dec 2019; Data as on 31st August 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, Execution risk, Low liquidity and Less dividends. To know more about the risk factors, please refer disclosure document at 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