

MOTILAL OSWAL INDIA OPPORTUNITY PORTFOLIO STRATEGY V2

September 2023
(Data as on 31st August 2023.
Inception date - 5th February 2018)

Investment Approach

Strategy Name: India Opportunity Portfolio Strategy - V2

Investment Objective: The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from India's emerging businesses. It aims to predominantly invest in Small and Midcap stocks with a focus on identifying potential winners. Focus on Sectors and Companies which promise a higher than average growth.

Description of types of securities: Listed 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

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: S&P BSE 500 TRI

Investment horizon: Long term

Key Features & Portfolio Attributes

Small cap oriented portfolio of 26 stocks investing in companies with high growth profile. Identifying companies in their early stages which have the potential to become midcap or large cap thus resulting in wealth creation.

Index agnostic: ~97% away from benchmark BSE 500. The portfolio is a play on the IT, Banks and Industrial Products

Portfolio Actions In Last 3 Months

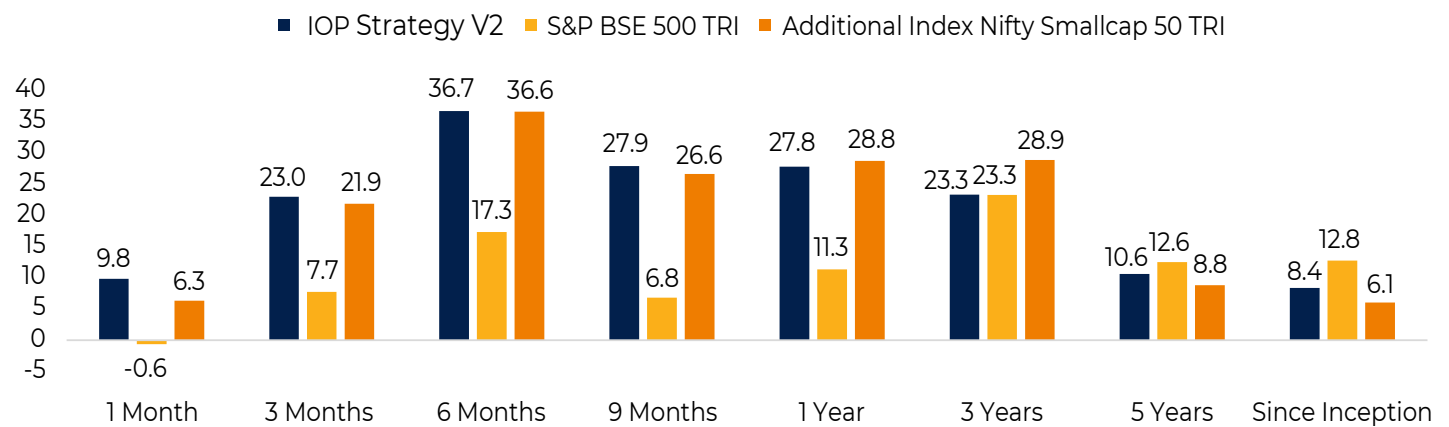
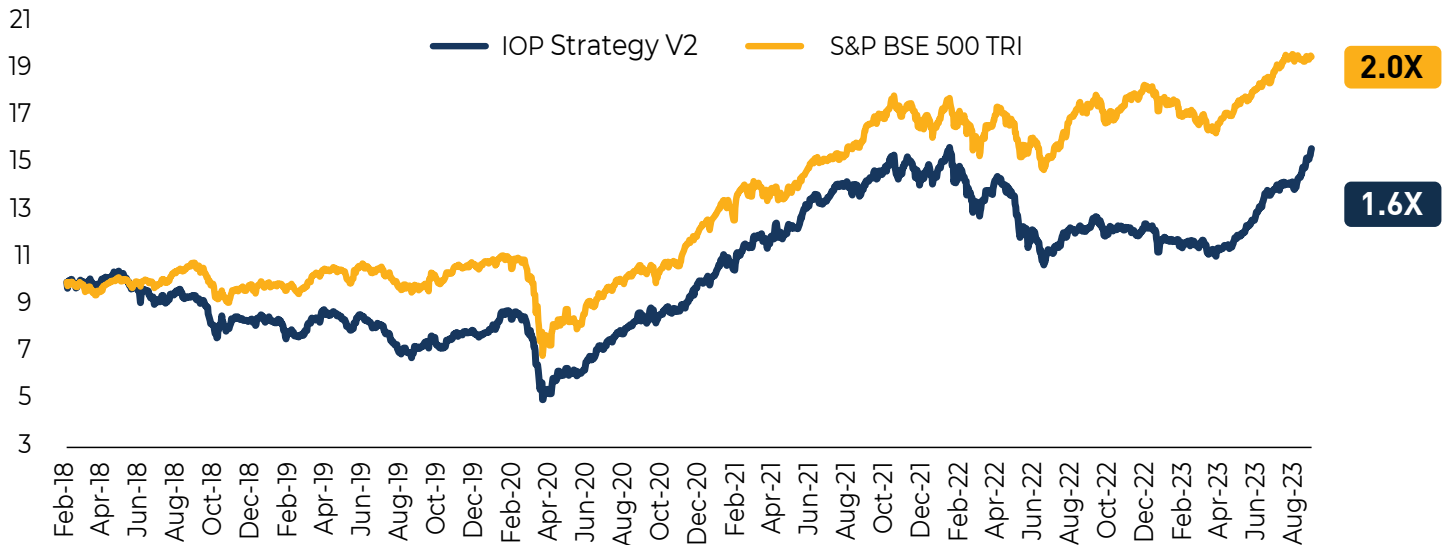
Companies Added: Cyient, Kalyan Jewellers, Piramal Enterprises, Suzlon Energy

Companies Exited: Bank Of Baroda, Route Mobile, LTI Mindtree, Prince Pipes & Fittings, Religare Enterprises

THINK EQUITY. THINK MOTILAL OSWAL.

Performance Since Inception

One lac invested in the strategy on 5th Feb 2018 would have grown to ~₹1.6 lacs today against ~₹2.0 lacs invested in Benchmark



Strategy Contributors (3 Year Trailing)

Top 5	Contribution
Cholamandalam Investment & Finance Co. Ltd.	10.7%
Central Depository Services Ltd.	9.5%
Kei Industries Ltd.	7.7%
Larsen & Toubro Infotech Ltd.	7.1%
Century Plyboards Ltd.	6.8%

Bottom 5	Contribution
Aegis Logistics Ltd.	-3.5%
Birlasoft Ltd.	-2.7%
Birla Corporation Ltd.	-2.6%
Max Financial Services Ltd.	-1.9%
Gland Pharma Ltd.	-1.7%

Risk Ratios

3 Year Data	Strategy	Benchmark
Standard Deviation	17.6%	14.5%
Beta	1.0	1.0
Sharpe Ratio	1.0	1.4

Portfolio Fundamentals & Market Cap

Market Cap	Weightage
Large Cap	9%
Mid Cap	33%
Small Cap	56%
Cash & Equivalents	2%

	QGLP Metrics
Q: ROE FY25E	18%
G: PAT Growth FY23-25E	29%
P: PE FY25E	15x

Top 10 Holdings & Sectoral Allocation

Scrip Name	(%) Holding
Idfc First Bank Ltd.	8.0
Suzlon Energy Ltd.	5.7
Global Health Ltd.	5.6
Tvs Motor Ltd.	5.6
Apl Apollo Tubes Ltd.	5.1
Kpit Technologies Ltd.	4.9
One 97 Communications Ltd.	4.7
Amber Enterprises India Ltd.	4.7
Kalyan Jewellers India Ltd.	4.3
Persistent Systems Ltd.	4.2
Garden Reach Shipbuilders & Engineers Ltd.	4.2
Kei Industries Ltd.	3.7
Archean Chemical Industries	3.4
Dcx Systems Ltd.	3.4
Bse Ltd.	3.3
Indian Bank	3.2
Angel One Ltd.	3.2
Trent Ltd.	3.0
Piramal Enterprises Ltd.	2.8
Globus Spirits Ltd.	2.5
Mastek Ltd.	2.3
Emudhra Ltd.	2.3
Finolex Cables Ltd.	2.2
Cyient Ltd.	2.0
Blue Dart Express Ltd.	1.9
Central Depository Services (India) Ltd.	1.5

Sector	(%) Allocation
IT - Software	11.4
Banks	11.2
Industrial Products	11.0
Consumer Durables	9.1
Capital Markets	8.0
Aerospace & Defense	7.5
Electrical Equipment	5.7
Healthcare Services	5.6
Automobiles	5.6
Financial Technology (Fintech)	4.7
IT - Services	4.3
Chemicals & Petrochemicals	3.4
Retailing	3.0
Finance	2.8
Beverages	2.5
Transport Services	1.9
Cash and Cash Equivalents	2.4

Fund Details

Fund Manager	Rakesh Tarway
Strategy Type	Open ended
Date of Inception	5 th February 2018
Benchmark	S&P BSE 500 TRI
Investment Horizon	3 Years +

Stock Rationale (quarter ending 30 June 2023)

IOP V2 Strategy

Entry Rationale:

Finolex Cables Ltd.

- Demand for electric cables is likely to be strong from the construction and realty sectors. Further, momentum in industrial and automobile industries is also positive.
- The company's FMEG business would grow with an improving demand environment. In the FMEG space, the company's aim is to reach revenue of Rs. 500 crore over the next two years.

Exit Rationale:

Max Financial Services Ltd.

- Expectation for generating the cash from its core business has declined.
- Total Annualized premium equivalent (APE) de-grew by 5% YoY due to continued deceleration in the AXSB channel.

VIP Industries Ltd.

- Exited for better opportunities

Disclaimers and Risk Factors

IOP V2 Strategy Inception Date: 5th Feb 2018; 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