

# MOTILAL OSWAL VALUE MIGRATION STRATEGY

December 2023  
(Data as on 30<sup>th</sup> November 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.

**Description of types of securities:** Listed Equity

**Basis of selection of such types of securities as part of the investment approach:** value based stock selection strategy

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

**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 23 stocks with high earnings growth. Each of the portfolio companies are market leaders in their respective segment

**Index agnostic:** ~94% away from benchmark BSE 500.

## Portfolio Actions In Last 3 Months

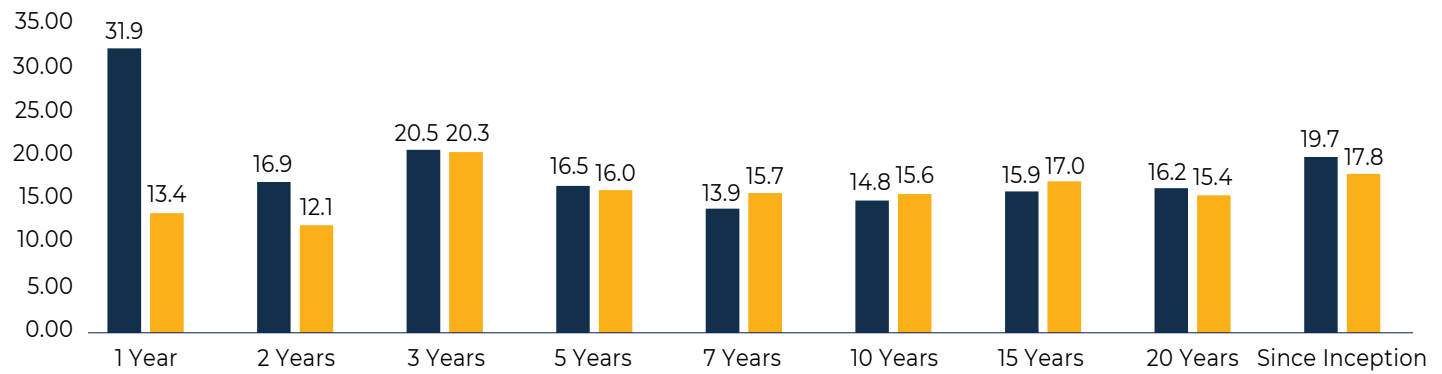
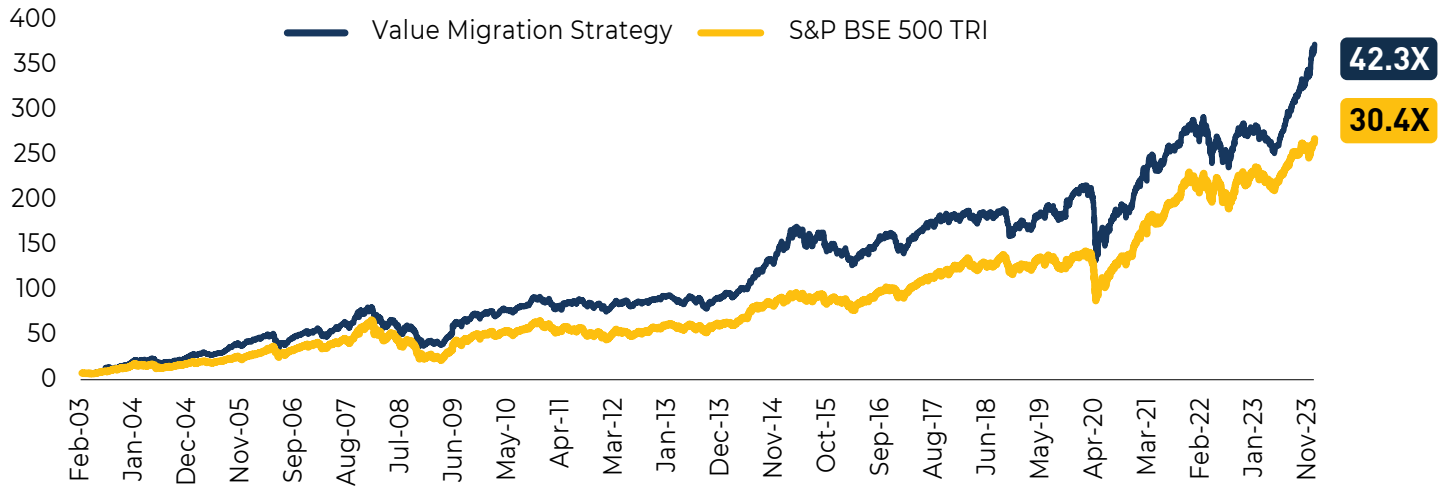
**Companies Added:** BSE, CG Power & Industrial Solutions, IDFC, Prestige Estate Projects,

**Companies Exited:** ABB, Sun Pharmaceuticals, Tech Mahindra, Vedant Fashions, Metro Brands, Radico Khaitan, Siemens

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## Performance Since Inception

One lac invested in the strategy on 18th Feb 2003 would have grown to ~₹42.3 lacs today against ~₹30.4 lacs invested in Benchmark



## Strategy Contributors (3 Year Trailing)

Top 5	Contribution
Larsen & Toubro Ltd.	17.4%
ICICI Bank Ltd.	17.1%
Bharti Airtel Ltd.	10.7%
Tube Investments of India Ltd.	8.6%
HCL Technologies Ltd.	8.1%

Bottom 5	Contribution
SBI Cards & Payment Services Ltd.	-6.3%
Dr. ReddyS Laboratories Ltd.	-5.2%
AU SMALL FINANCE BANK Ltd.	-3.2%
Infosys Ltd.	-1.6%
IPCA Laboratories Ltd.	-1.4%

## Risk Ratios

3 Year Data	Strategy	Benchmark
Standard Deviation	13.6%	14.3%
Beta	0.9	1.0
Sharpe Ratio	0.9	1.2

## Portfolio Fundamentals & Market Cap

Market Cap	Weightage
Large Cap	20%
Mid Cap	20%
Small Cap	60%
Cash & Equivalents	0%

	QGLP Metrics
Q: ROE FY26E	18%
G: PAT Growth TTM-FY26E	30%
P: PE FY26E	21x

## Holdings & Sectoral Allocation

Scrip Name	(%) Holding
BSE Ltd.	8.1
Zomato Ltd.	7.1
Suzlon Energy Ltd.	6.5
Angel One Ltd.	6.4
Prestige Estates Projects Ltd.	5.9
Kalyan Jewellers India Ltd.	5.9
Larsen & Toubro Ltd.	4.9
Indusind Bank Ltd.	4.8
One 97 Communications Ltd.	4.8
Global Health Ltd.	4.6
Apar Industries Ltd.	4.5
Kaynes Technology India Ltd.	4.5
Archean Chemical Industries	3.5
Gujarat Flurochemicals Ltd.	3.4
Medplus Health Services Ltd.	3.2
Home First Finance Company India Ltd.	3.2
Bharat Electronics Ltd.	3.2
eMudhra Ltd.	3.0
IDFC First Bank Ltd.	3.0
Religare Enterprises Ltd.	3.0
Finolex Cables Ltd.	2.7
CG Power And Industrial Solutions Ltd.	2.5
IDFC Ltd.	0.9

Sector	(%) Allocation
Capital Goods	23.8
Capital Markets	14.5
Consumer Services	10.3
Banks	7.8
Finance	7.2
Chemicals	6.9
Realty	5.9
Consumer Durables	5.9
Construction	4.9
Financial Technology (Fintech)	4.8
Healthcare	4.6
Information Technology	3.0
Cash & Equivalents	0.3

## Fund Details

Fund Manager	Vaibhav Agrawal
Strategy Type	Open ended
Date of Inception	18 <sup>th</sup> February 2003
Benchmark	S&P BSE 500 TRI
Investment Horizon	3 Years +

- Value Migration Strategy

### Entry Rationale:

#### CG Power & Industrial Solutions Ltd.

CGPOWER is an engineering company with a diverse portfolio of products ranging from high-end power and industrial equipments and solutions, to electrical power equipment. After the demerger and sale of the consumer business, the Company has also divested its automation business, and now operates in two segments: 1) Power Systems include transformer, switchgear and turnkey projects 2) Industrial Systems include electric motors, alternators, drives, traction electronics and SCADA.

We are enthused by CG Power's foray in the emerging OSAT/ ATMP market in a tie-up with the global technology majors. While the dynamics of the OSAT business are completely different and unrelated to CG's own electrical equipment market or the EMS activities of existing players in India, early entry in this segment with attractive Govt subsidy, strong domestic market and opportunities from global supply-chain makes OSAT a lucrative business opportunity, with the right technology partners in place.

### Exit Rationale:

#### Siemens Ltd.

Booked profits and switched to other opportunities

#### Vedant Fashions Ltd.

Booked profits and switched to other opportunities

## Disclaimers and Risk Factors

Value Migration Strategy Inception Date: 18th Feb 2003; Data as on 30th November 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.

Our PMS services are available in direct mode, to know more, write to us at [pmsquery@motilaloswal.com](mailto:pmsquery@motilaloswal.com)

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