

A man with a grey beard and glasses, wearing a dark blue suit, light blue shirt, and a dark tie with white polka dots. He is looking down at a tablet computer he is holding with both hands. His right hand is adjusting his glasses. The background is a blurred office setting with a window on the right.

**ASK** Investment  
Managers

# ASK Indian Entrepreneur Portfolio

Public

Jan 2024

# Key Investment Objectives and Attributes

## Key investment objectives:

- Capital preservation\* over a period of time
- Capital appreciation over a period of time

- Size of pond v/s size of fish
- Dominance
- Resilience
- Liquidity

- Quantum
- Consistency
- Durability
- Predating (Early v/s Later)
- Compounding power



## Achieved through:

- Long-term investments in high-quality companies with strong growth prospects

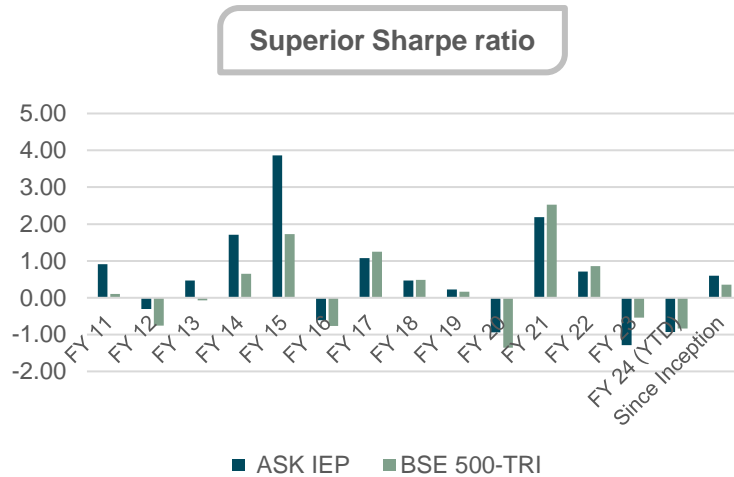
- High quality of business (Superior RoCE)
- Strong moat. Impregnable
- Sustainability
- Key pivot of strong wealth creation

- Favorable Price-Value Gap
- Margin of safety

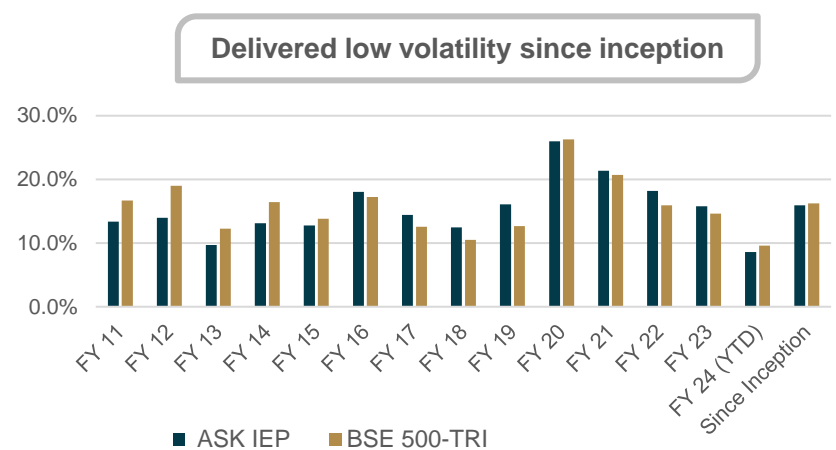
# Capital Preservation\*

## Consistently low volatility

We cater to investor's desire for a relatively stable investment approach very well



Sharpe ratio (since inception):  
0.60 v/s BSE 500-TRI : 0.36



Standard deviation (since inception):  
15.9% v/s BSE 500-TRI: 16.2%

Sharpe ratio measured as annualized mean of daily Portfolio returns over Risk Free Rate (RFR) divided by the annualized Portfolio Standard Deviation of daily returns. RFR assumed at 8% pa. Historical Volatility is computed based on standard deviation of daily returns.

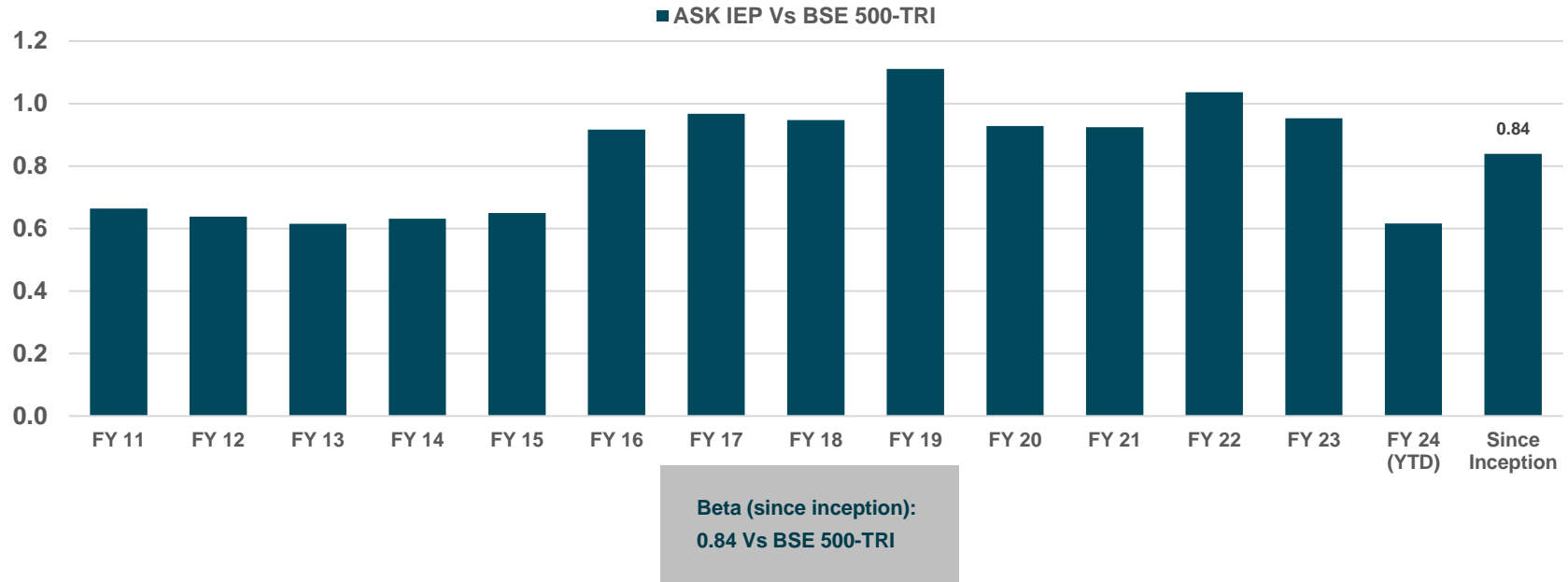
\* ASK IM endeavors to preserve the capital however equity investments are subject to market risks and may result in loss of capital

ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Jan 31<sup>st</sup>, 2024. Returns for individual client may differ depending on time of entry in the Portfolio. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI. As per SEBI regulatory requirement, the benchmark for this investment approach is revised from BSE 500 to BSE 500-TRI w.e.f. 1 April 2023

# Capital Preservation\*

Consistently low volatility

Portfolio Beta has largely remained below 1 (10 out of 12 years)



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# Capital Preservation\*

ASK IEP has had a lower drawdown than BSE 500-TRI majority of the time

	Max Drawdown <sup>^</sup>		FY Performance <sup>^</sup>	
	ASK IEP	BSE 500-TRI	ASK IEP	BSE 500-TRI
FY 11	-18%	-20%	22%	9%
FY 12	-14%	-24%	3%	-8%
FY 13	-4%	-10%	13%	7%
FY 14	-7%	-15%	34%	19%
FY 15	-2%	-7%	73%	35%
FY 16	-15%	-19%	-5%	-6%
FY 17	-17%	-12%	25%	26%
FY 18	-5%	-11%	15%	13%
FY 19	-19%	-16%	11%	10%
FY 20	-31%	-38%	-18%	-26%
FY 21	-11%	-10%	69%	79%
FY 22	-18%	-14%	21%	22%
FY 23	-17%	-15%	-13%	-1%

<sup>^</sup> Historical Drawdown for portfolio is measured as the performance for the period during which the index had its maximum drawdown



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# Capital Preservation\*

Years when life highs are attained by ASK IEP companies. Average holding period in ASK IEP is 4.5 Years

ASK IEP Company Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Number of Years Life-Highs are attained since 2008	Number of Years in existence since 2008	% of Years where Life-Highs are attained since 2008
APL Apollo Tubes Ltd	0	0	1	0	1	1	1	1	1	1	1	0	1	1	1	1	12	16	75%
Asian Paints Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	16	16	100%
Astral Polytechnic Ltd	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15	16	94%
AU Small Finance Bank Ltd										1	1	1	1	1	1	1	7	7	100%
Avenue Supermarts Ltd										1	1	1	1	1	0	0	5	7	71%
Bajaj Finance Ltd	1	0	1	0	1	1	1	1	1	1	1	1	1	1	0	1	13	16	81%
Bajaj Finserv Ltd	1	0	0	0	1	0	1	1	1	1	1	1	1	1	0	0	10	16	63%
Bharti Airtel Ltd	1	0	0	0	0	0	0	0	0	1	0	0	1	1	1	1	6	16	38%
Cholamandalam Investment and F	1	0	0	0	0	0	1	1	1	1	1	0	1	1	1	1	10	16	63%
Divi's Laboratories Ltd	1	0	0	0	1	1	1	1	1	0	1	1	1	1	0	0	10	16	63%
Dr Reddy's Laboratories Ltd	1	1	1	0	1	1	1	1	0	0	0	0	1	1	0	1	10	16	63%
Havells India Ltd	1	1	1	1	1	1	1	0	1	1	1	1	1	1	0	0	13	16	81%
IndusInd Bank Ltd	1	1	1	0	1	1	1	1	1	1	1	0	0	0	0	0	10	16	63%
InterGlobe Aviation Ltd								1	1	0	1	1	0	1	0	1	6	9	67%
KEI Industries Ltd	1	0	0	0	0	0	0	0	0	1	1	1	0	1	1	1	7	16	44%
Metropolis Healthcare Ltd												1	1	1	0	0	3	5	60%
Page Industries Ltd	1	1	1	1	1	1	1	1	0	1	1	0	0	1	1	0	12	16	75%
Patanjali Foods Ltd													1	0	0	0	1	4	25%
PI Industries Ltd	1	1	1	1	0	1	1	1	1	1	1	1	1	1	1	1	15	16	94%
Reliance Industries Ltd	1	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1	8	16	50%
Sona BLW Precision Forgings Ltd														1	0	0	1	3	33%
Tata Consultancy Services Ltd	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	15	16	94%
Titan Co Ltd	1	0	1	1	1	0	1	1	0	1	1	1	1	1	1	1	13	16	81%
Torrent Pharma.	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	15	16	94%
TVS Motor Co Ltd	1	0	1	0	0	0	1	1	1	1	1	0	0	0	1	1	8	16	50%

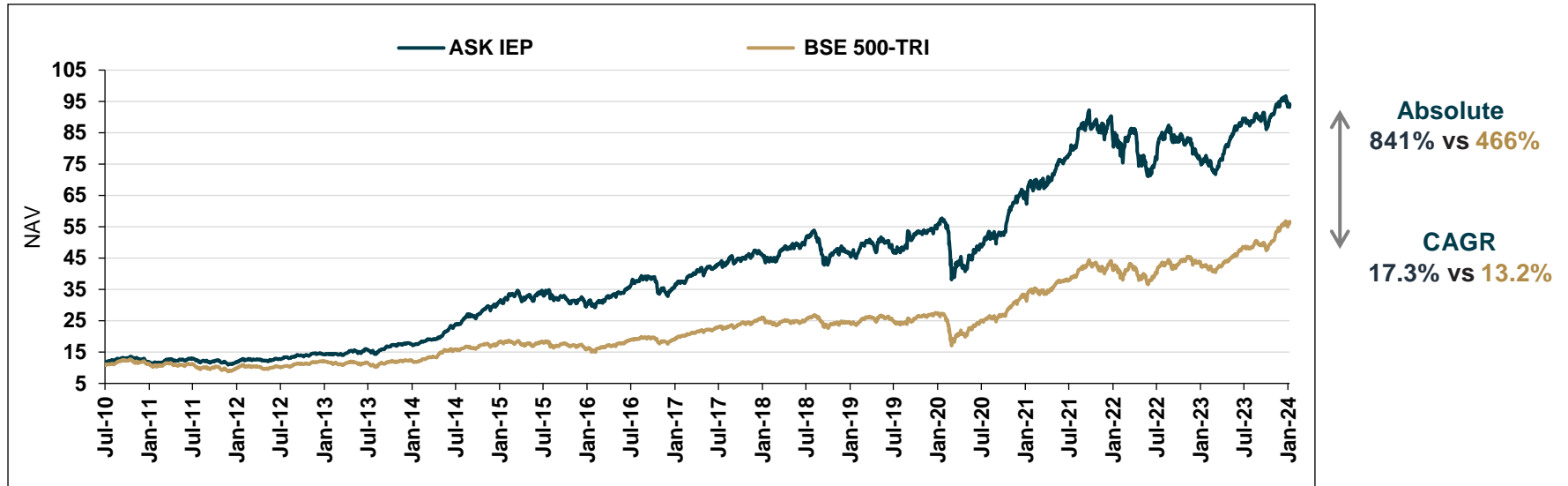


Source: Bloomberg. Data considered from CY 2008 as the base till CY 2023.

\*ASK IM endeavors to preserve the capital however equity investments are subject to market risks and may result in loss of capital.

# Capital Appreciation

Low volatility in the investment approach actually aids portfolio appreciation



**Rs 1 Crore invested at inception has grown to Rs 9.41 Crore Vs Rs 5.66 Cr in BSE 500 TRI.**



Note: Performance figures are net of all fees and expenses. ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Jan 31<sup>st</sup>, 2024. Returns for individual client may differ depending on time of entry in the Portfolio. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI. As per SEBI regulatory requirement, the benchmark for this investment approach is revised from BSE 500 to BSE 500-TRI w.e.f. 1 April 2023

# Outperforming Benchmark Calendar Year Wise

Calendar year-wise returns - ASK IEP has outperformed BSE 500-TRI in 10 out of 14 calendar years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 (Jan 24)
ASK IEP	29.0%	-13.2%	29.8%	22.0%	69.6%	7.6%	6.2%	37.2%	1.8%	12.4%	20.5%	33.7%	-8.5%	20.5%	-1.5%
BSE 500-TRI	17.9%	-26.4%	33.4%	4.9%	38.9%	0.4%	5.2%	37.6%	-1.8%	9.0%	18.4%	31.6%	4.8%	26.5%	1.9%

Financial year-wise returns – ASK IEP has outperformed BSE 500-TRI in 9 out of 13 financial years

	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY20	FY21	FY22	FY23	FY24 (YTD)
ASK IEP	21.7%	2.8%	12.8%	34.5%	73.0%	-4.5%	24.9%	14.5%	10.8%	-17.8%	68.6%	20.9%	-12.6%	29.1%
BSE 500-TRI	8.9%	-7.8%	6.5%	19.0%	35.0%	-6.4%	25.5%	13.2%	9.7%	-26.5%	78.6%	22.3%	-0.9%	36.7%

Point to point returns

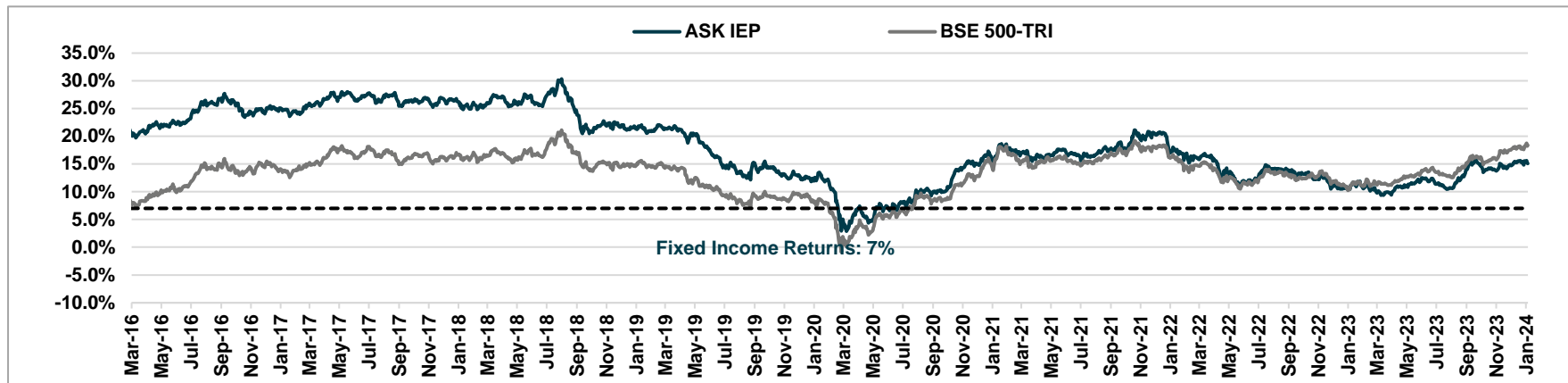
	1 month	3 months	6 months	1 year	3 years	5 years	7 years	10 years	Since Inception
ASK IEP	-1.5%	8.4%	5.0%	25.1%	14.8%	15.4%	14.5%	18.4%	17.3%
BSE 500-TRI	1.9%	17.9%	16.2%	33.4%	21.8%	18.5%	16.6%	16.8%	13.2%



Note: Performance figures are net of all fees and expenses. ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Jan 31<sup>st</sup>, 2024. Returns for individual client may differ depending on time of entry in the Portfolio. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI. As per SEBI regulatory requirement, the benchmark for this investment approach is revised from BSE 500 to BSE 500-TRI w.e.f. 1 April 2023



# ASK IEP 5 Year Rolling Returns Analysis



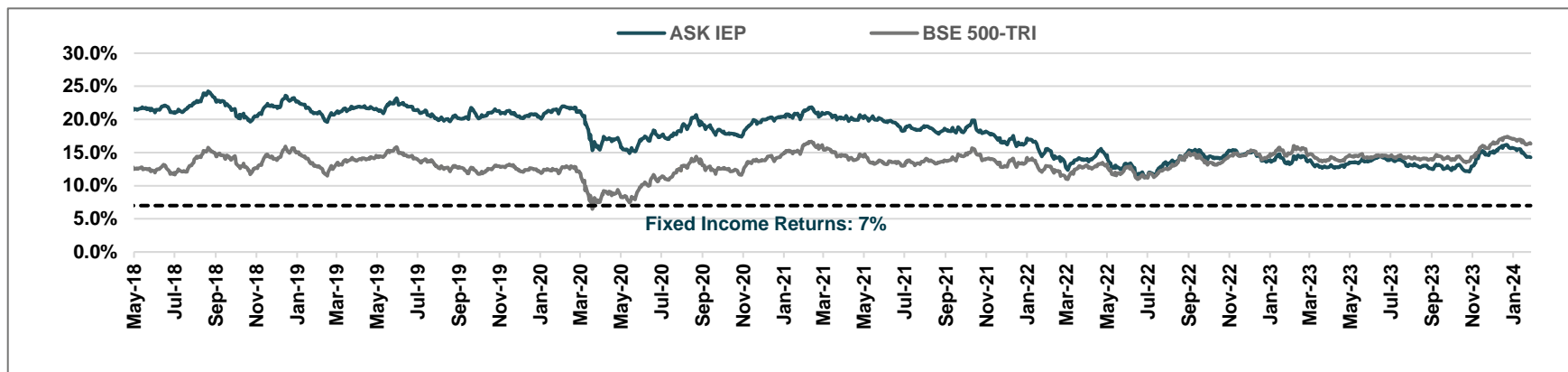
	ASK IEP	BSE 500-TRI
Minimum	2.9%	-0.9%
Maximum	30.3%	21.1%
Average	18.7%	12.9%

Return Brackets	No. of Observations	% Distribution
<7%	59	2.6%
7%- 10%	91	4.1%
10-15%	589	26.4%
15-20%	432	19.4%
>20%	1061	47.5%
Total	2232	100.0%



Note: Performance figures are net of all fees and expenses. ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Jan 31<sup>st</sup>, 2024. Returns for individual client may differ depending on time of entry in the Portfolio. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI. As per SEBI regulatory requirement, the benchmark for this investment approach is revised from BSE 500 to BSE 500-TRI w.e.f. 1 April 2023

# ASK IEP 7 Year Rolling Returns Analysis



	ASK IEP	BSE 500-TRI
Minimum	11.2%	6.5%
Maximum	24.3%	17.4%
Average	18.3%	13.0%

Return Brackets	No. of Observations	% Distribution
<7%	0	0.0%
7%- 10%	0	0.0%
10-15%	419	24.1%
15-20%	536	30.8%
>20%	784	45.1%
Total	1739	100.0%

} 10% plus CAGR  
100% of the time



Note: Performance figures are net of all fees and expenses. ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Jan 31<sup>st</sup>, 2024. Returns for individual client may differ depending on time of entry in the Portfolio. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI. As per SEBI regulatory requirement, the benchmark for this investment approach is revised from BSE 500 to BSE 500-TRI w.e.f. 1 April 2023

# Stock Contribution to Portfolio Return

Top Contributors - Last 3 Months*		
Stock	Avg. Weight*	Contribution to Portfolio Return (%)
RELIANCE INDUSTRIES LTD	5.1	1.1
TORRENT PHARMACEUTICALS LTD	4.3	1.1
BHARTI AIRTEL LTD	4.3	1.1
PATANJALI FOODS LTD	5.0	0.7
BHARTI AIRTEL - PARTLY PAID	1.8	0.7

Top Detractors - Last 3 Months*		
Stock	Avg. Weight*	Contribution to Portfolio Return (%)
BAJAJ FINANCE LTD	6.2	-0.6
AU SMALL FINANCE BANK LTD	5.7	-0.3
APL APOLLO TUBES LTD	5.9	-0.2
PI INDUSTRIES LTD	3.9	-0.1
PAGE INDUSTRIES LTD	2.8	-0.1

Top Contributors - Last 1 Year*		
Stock	Avg. Weight*	Contribution to Portfolio Return (%)
CHOLAMANDALAM INVESTMENT	6.1	3.8
TORRENT PHARMACEUTICALS LTD	4.3	2.4
APL APOLLO TUBES LTD	6.6	2.2
PATANJALI FOODS LTD	4.3	2.1
BHARTI AIRTEL LTD	3.9	1.9

Top Detractors – Last 1 Year*		
Stock	Avg. Weight*	Contribution to Portfolio Return (%)
PAGE INDUSTRIES LTD	3.3	-0.3
AARTI INDUSTRIES LIMITED	0.9	-0.2
JIO FINANCIAL SERVICES LTD	0.0	-0.1
KEI INDUSTRIES LTD	0.2	0.1
AARTI PHARMALABS LTD	0.2	0.1

# Sector Contribution to Portfolio Return

Top Contributors - Last 3 Months*		
Sector	Avg. Weight*	Contribution to Portfolio Return (%)
T & T	15.8	3.5
Consumption	27.3	2.1
Healthcare	12.0	1.8
Automobile	4.7	0.5

Top Detractors - Last 3 Months*		
Sector	Avg. Weight*	Contribution to Portfolio Return (%)
Financials	27.2	-0.3
Chemicals	3.9	-0.1
Infrastructure and Engineering	6.7	-0.1
Utilities	1.4	0.3

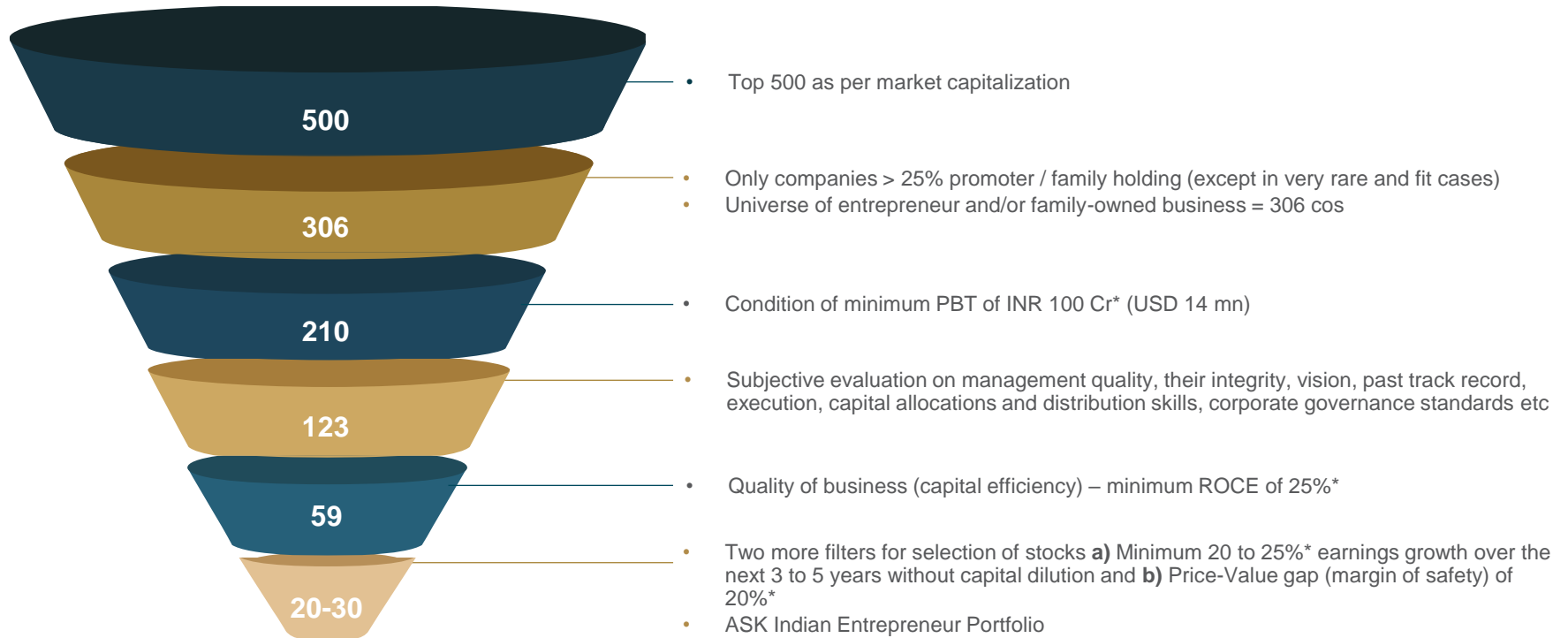
Top Contributors - Last 1 Year*		
Sector	Avg. Weight*	Contribution to Portfolio Return (%)
Financials	28.8	7.0
Consumption	26.8	6.4
T & T	15.6	5.6
Healthcare	10.8	3.4

Top Detractors – Last 1 Year*		
Sector	Avg. Weight*	Contribution to Portfolio Return (%)
Utilities	0.4	0.4
Chemicals	5.6	0.5
Automobile	3.5	1.3
Infrastructure and Engineering	7.3	2.5

# ASK Indian Entrepreneur Portfolio: The Investment Approach

- Identify **large** and **growing** business opportunities.
- Identify businesses with the competitive advantage that are **significantly sized** (min Rs.100cr of PBT)\*: Enables growth from both **market share gains** and **growth of the opportunity size** and can sustain for multiple years.
- The **quality of the business** should be good to be able to fund strong growth through internal cash generation
  - > We seek over 20% compounded growth from each business that we buy and target over 25%\* growth from the portfolio.
  - > To fund this growth, the business ROCE should be over 25%\* so that growth can be funded and there are surpluses for dividend.
- The management should have the drive and skin in the game to deliver **compounded growth** period after period (uncompromised corporate governance is a must)
  - > Hence, invest in businesses with an identifiable business house at the helm with a minimum 25% stake.\*\*
- We seek to identify such businesses **at a reasonable discount to value** and stay invested for a length of time and make money as EPS compounds.

# Investment Approach Research Methodology and Filtration



# Long-Term Performance of ASK IEP Companies

ASK IEP companies performance over last 5 years (CAGR) as on FY23				
Company Name	Sales	PBT	ROCE*	PAT
APL Apollo Tubes	25%	28%	33%	32%
Asian Paints Ltd	15%	13%	47%	16%
Astral Poly Technik Ltd	20%	19%	31%	21%
AU Small Finance Bank Ltd	31%	33%	13%	37%
Avenue Supermarts Ltd	23%	21%	24%	27%
Bajaj Finance Ltd	25%	32%	23%	36%
Bharti Airtel Ltd	11%	32%	26%	LTP
Cholamandalam Investment and Finance Co Ltd	23%	21%	21%	24%
Divi's Laboratories Ltd	15%	13%	23%	15%
Dr Reddy's Lab	9%	16%	18%	19%
Havells India Ltd	16%	8%	28%	9%
IndusInd Bank Ltd	16%	13%	15%	16%
Interglobe Aviation Ltd.	19%	LTP	10%	LTP
KEI Industries Ltd	15%	26%	30%	21%
Havells India Ltd	16%	8%	28%	9%
Metropolis Healthcare Ltd	12%	3%	17%	3%
Page Industries Ltd	13%	7%	64%	10%
Patanjali Foods Ltd	21%	LTP	13%	63%
PI Industries Ltd	30%	32%	36%	34%
Reliance Industries Ltd	18%	10%	17%	13%
Tata Consultancy Services	13%	11%	100%	10%
Titan Co Ltd	20%	23%	31%	23%
TVS Motor Company Ltd	12%	18%	49%	18%
Torrent Pharmaceuticals Ltd	10%	14%	23%	23%
<b>Average of ASK IEP Companies</b>	<b>18%</b>	<b>18%</b>	<b>30%</b>	<b>22%</b>
<b>Nifty 50</b>	<b>14%</b>			<b>16%</b>



\*Data considered only for FY23. For Banking & Financial companies, we have not considered ROCE, but have considered ROE for the above analysis

# Risk Factors and Disclaimer

## **Risk arising from the investment objective, investment approach and asset allocation:**

Equities as an asset class carry a higher risk in comparison to debt. While risk cannot be totally eliminated, it can be mitigated through a well-designed Investment Approach. ASK Investment Managers Portfolios seek to mitigate risk and deliver superior returns through research-based investing. However, this objective may not be fully achieved due to various reasons such as unfavorable market movements, misjudgment by portfolio manager, adverse political or economic developments etc. The PMS is run with an objective to achieve reasonable returns consistently. Given this background the investor investing in the PMS faces the following risks

### (i) Political, economic and / or related risks

The Asset Value of the portfolio and the liquidity of the shares may be affected by changes in government policy, taxation, interest rates, social and religious instability and political, economic or other developments in or affecting India.

### (ii) Industry risk

The value of shares of companies in a particular industry may be affected due to factors affecting the industry like changes in government policy on duties, FDI or a foreign country, which is a big market for the industry, may impose restrictions on import etc.

### (iii) The Indian Securities Market

The Indian stock markets in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in future. Actual market trend may be in variance with anticipated trends hence, the decisions of the Portfolio Manager may not be always profitable.

### (iv) Liquidity Risk

Some stocks that the investor might be invested in might not be highly liquid. Though it will be the PMS service providers endeavour to restrict investments in less liquid stocks to a lower limit, there is an exposure of liquidity risk to the investor.

## **Disclaimer:**

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**Thank You**

MSK

The image features the letters 'MSK' in a large, gold-outlined serif font. The 'M' is on the left, the 'S' is in the middle, and the 'K' is on the right. A solid gold triangle points downwards from the top right corner of the 'K'.