

MOTILAL OSWAL VALUE MIGRATION STRATEGY

February 2024
(Data as on 31st January 2024.
Inception date - 18th 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 25 stocks with high earnings growth. Each of the portfolio companies are market leaders in their respective segment

Index agnostic: ~93% away from benchmark BSE 500.

Portfolio Actions In Last 3 Months

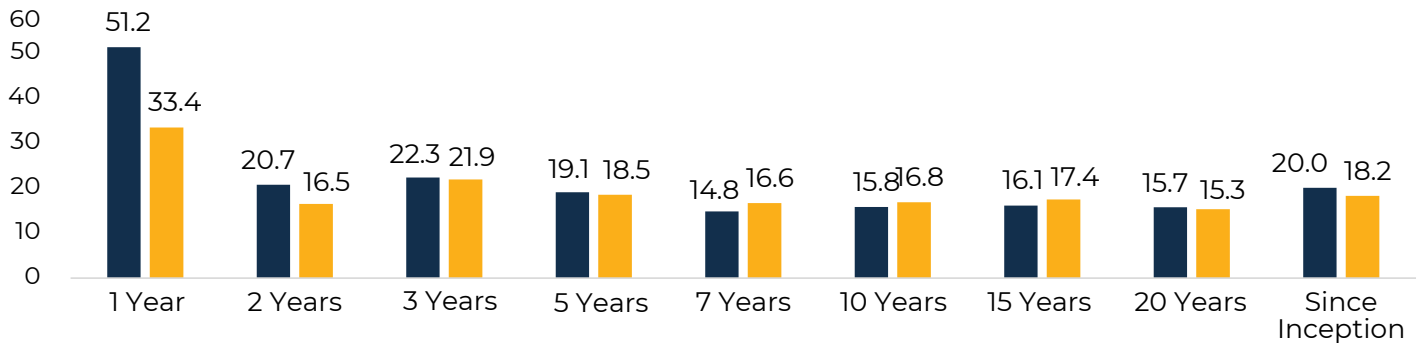
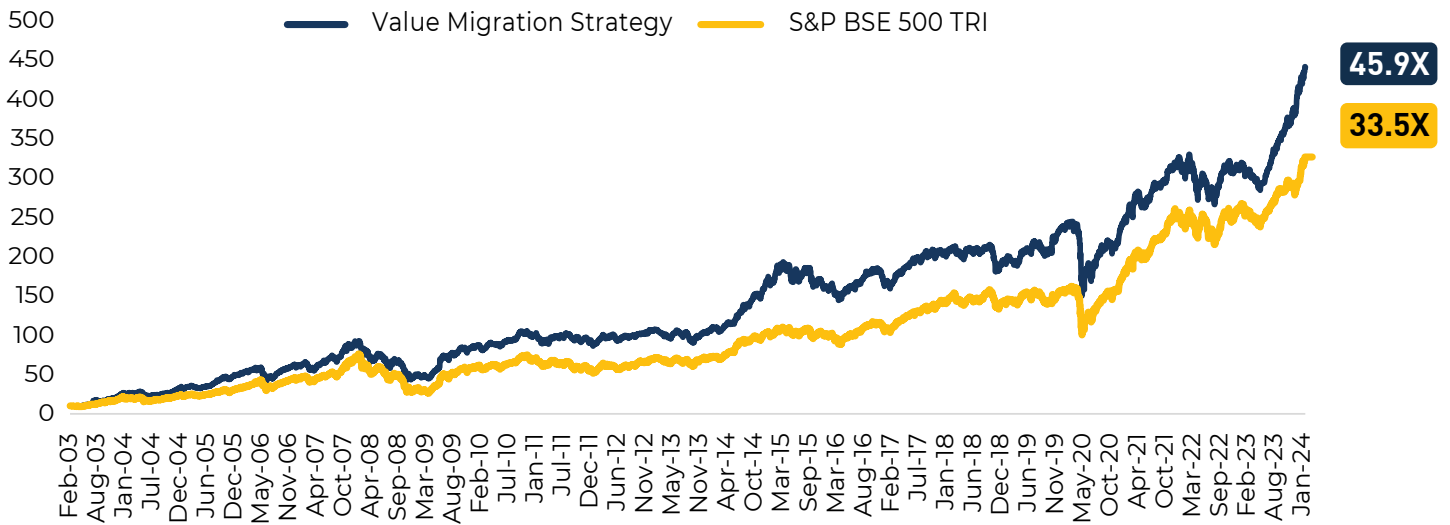
Companies Added: CG Power & Industrial Solutions, Inox Wind

Companies Exited: Siemens, Vedant Fashions,

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Performance Since Inception

One lac invested in the strategy on 18th Feb 2003 would have grown to ~₹ 45.9 lacs today against ~₹ 33.5 lacs invested in Benchmark



Strategy Contributors (3 Year Trailing)

Top 5	Contribution
Larsen & Toubro Ltd.	17.2%
ICICI Bank Ltd.	13.2%
Bharti Airtel Ltd.	9.3%
Tube Investments of India Ltd.	8.7%
Zomato Ltd.	8.5%

Bottom 5	Contribution
SBI Cards & Payment Services Ltd.	-6.6%
Dr. ReddyS Laboratories Ltd.	-5.9%
AU Small Finance Bank Ltd.	-3.3%
Infosys Ltd.	-1.6%
LIC Housing Finance Ltd.	-1.2%

Risk Ratios

3 Year Data	Strategy	Benchmark
Standard Deviation	13.2%	13.6%
Beta	0.8	1.0
Sharpe Ratio	1.1	1.0

Portfolio Fundamentals & Market Cap

Market Cap	Weightage
Large Cap	20%
Mid Cap	31%
Small Cap	48%
Cash & Equivalents	1%

QGLP Metrics	
Q: ROE FY26E	19%
G: PAT Growth TTM-FY26E	35%
P: PE FY26E	23x

Holdings & Sectoral Allocation

Scrip Name	(%) Holding
Zomato	7.0
Prestige Estates Projects	6.9
BSE	6.5
Kalyan Jewellers India	5.9
Angel One	5.8
Suzlon Energy	5.7
Kaynes Technology India	4.7
Apar Industries	4.7
IndusInd Bank	4.6
Larsen & Toubro	4.6
Global Health	4.5
Gujarat Fluorochemicals	4.0
One 97 Communications	3.8
Bharat Electronics	3.7
Archean Chemical Industries	3.5
Inox Wind	3.1
Religare Enterprises	2.9
Finolex Cables	2.8
eMudhra	2.8
IDFC First Bank	2.7
Medplus Health Services	2.7
CG Power and Industrial Solutions	2.4
Home First Finance Company India	1.7
Amber Enterprises India	1.4
IDFC	0.9

Sector	(%) Allocation
Financial Services	28.9
Capital Goods	27.1
Consumer Services	9.7
Chemicals	7.6
Consumer Durables	7.3
Realty	6.9
Construction	4.6
Healthcare	4.5
Information Technology	2.8
Cash & Equivalents	0.7

Fund Details

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

Stock Rationale (month ending 31st January 2024)

- **Value Migration Strategy**

Entry Rationale:

Amber Enterprises Ltd.

- **Huge runway for growth**

India sells 7m ACs annually vs 90 million in China. This despite the fact that the weather in India is warmer; affordability is catching up with enablers like financing. We see a potential J-curve in this consumer category. AMBER is the market leader with ~30% market share in ODM/OEM manufacturing of ACs and components with all leading brands as customers.

- **Key drivers**

Over the medium-term, it is likely to be a beneficiary of a) rising share of outsourcing business in growing RAC market in India b) Foray in to commercial AC market

Disclaimers and Risk Factors

Value Migration Strategy Inception Date: 18th Feb 2003; Data as on 31st January 2024; 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. 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.

For the relative performance of a particular Investment Approach to other Portfolio Managers within the selected strategy, please refer APMI website ([click here](#)). Under PMS Provider Name, please select Motilal Oswal Asset Management Company and select your Investment Approach Name for viewing the stated disclosure. The data for the previous month is usually available on the APMI portal on or after the 7th business day of the current month.

Our PMS services are available in direct mode, to know more, write to us at pmsquery@motilaloswal.com

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Motilal Oswal's investing process builds Hi-Quality & Hi-Growth portfolios.
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The term 'Hi-Quality and Hi-Growth Portfolios' refer to Motilal Oswal AMC's defined fund management processes based on internal qualitative and quantitative research parameters & not be construed as investment advice to any party.