



THOUGHT LEADERS IN EQUITY

Focused, Process Driven, Ideas Powerhouse

THINK EQUITY. THINK MOTILAL OSWAL.

Veritable Ecosystem in Financial Services

Asset Management

Leaders in PMS & CAT III Long only AIFs

51,333 cr AUM **150+** investee cos

Institutional Equities

Expertise in equity research

250+ companies **21** sectors

300+ reports **38** analysts

2 Overall Sales **2** Execution Team*

3 Domestic Brokerage*

Private Equity Real Estate

Expertise in private placement
and real estate

125+ investments **8** funds **9,940 cr AUM**

Private Wealth

Expertise in wealth
management and distribution

66,444 cr AUM **~5,655 families** **197 RMs**

Housing Finance

Expertise in affordable housing finance

47,136 families **3,777 cr AUM**

111 branches

Investment Banking

Expertise in capital market deals

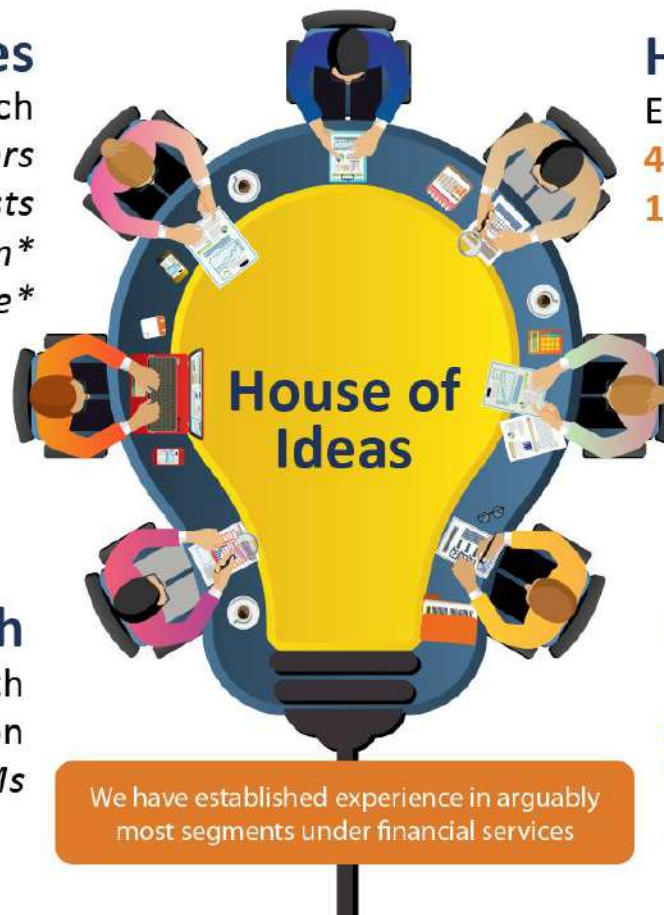
20+ team **6** deals in 1QFY24 **3,730 cr**
worth deals

Retail & Distribution

Expertise in advisory and client servicing

3.6mn clients **8,050 franchisees** **1,700 advisors**

Top 3 broking houses in terms of gross
brokerage revenue



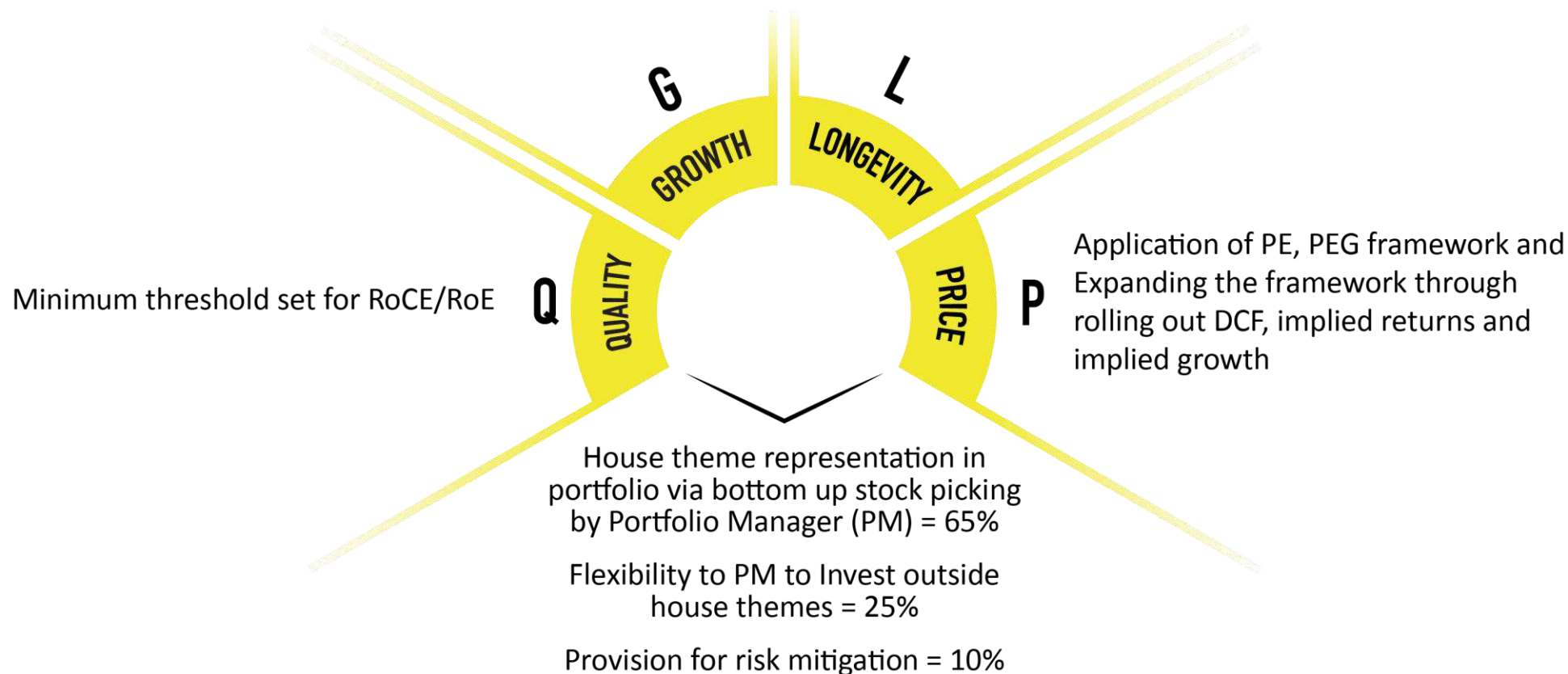
Source: MOAMC Internal, Data as on 30th June, 2023.

*Asiamoney poll 2022

THINK EQUITY. THINK MOTILAL OSWAL.

Disciplined Investing following “Q-G-L-P” Investment Process

Ensuring Longevity of Growth by investing in sustainable themes identified by the Investment team collectively



The above graph/data is used to explain the concept and is for illustration purpose only. The data mentioned herein are for general and comparison purpose only and not a complete disclosure of every material fact. and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

Risk Management Framework for Consistency & Sustainability of Performance



Stock Weightage & Stock Sizing

Minimum and maximum exposure limits set



Sector Sizing

Limits on sector deviations relative to benchmark



Diversification Strategy

Portfolio size capped up to 35 stocks



Profit Taking / Stop Loss Framework

Proprietary framework for measuring triggers



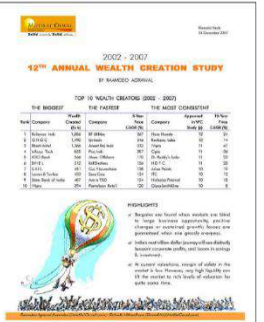
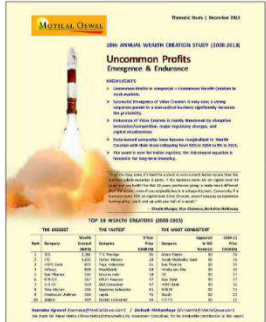
Stringent Liquidity Framework

Ensuring efficient management for ability to take necessary action

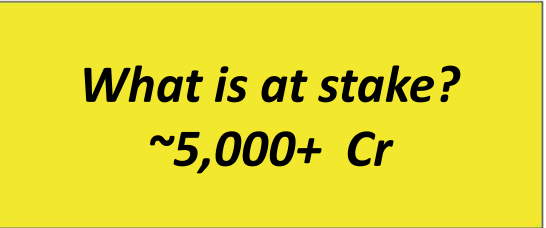
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Motilal Oswal Group – Thought – Philosophy - Action

25+ Years of Thought Leadership – Wealth Creation Studies



Skin in the Game



Source: MOAMC Internal

Motilal Oswal Mid to Mega Strategy

Formerly known as Focused Midcap Strategy

What is Mid to Mega?

- Crossover by a company from Mid to Mega category

- Achievement of critical mass & scale
- Recognition by markets of the same

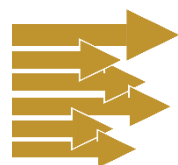
The above transition is mainly seen in companies who are



Industry leaders



Industry Tailwinds



Value migration beneficiaries

Thematic Study | December 2015

20 YEARS OF WEALTH CREATION

20TH ANNUAL WEALTH CREATION STUDY (2010-2015)

Mid-to-Mega

The power of industry leadership in Wealth Creation

HIGHLIGHTS

- Value Migration is increasingly becoming the key driver of rapid Wealth Creation.
- Industry leadership is a necessary pre-requisite to be a megacorp.
- Market cap rank is a powerful tool to assess a company's current standing and the roadmap ahead.
- Mid-to-Mega marks a big change in ranks, driven by the lollapalooza effect of MOGLP (Mid-size, Quality, Growth, Longevity and Price).

"I've been searching for lollapalooza results all my life, so I'm very interested in models that explain their occurrence ... Really big effects, lollapalooza effects, will often come only from large combinations of factors." - Charlie Munger

TOP 50 WEALTH CREATORS (2010-2015)

THE BIGGEST			THE FASTEST		THE MOST CONSISTENT		
Rank	Company	Wealth Created (INR b)	Company	5-Year Price CAGR (%)	Company	Appeared in WC Study (x)	10-Year Price CAGR (%)
1	TCS	3,458	Ajanta Pharma	139	Titan Company	10	43
2	ITC	1,565	Symphony	108	Sun Pharma	10	36
3	HDFC Bank	1,540	Eicher Motors	90	Asian Paints	10	35
4	Sun Pharma	1,405	P I Industries	85	Kotak Mahindra	10	34
5	Hindustan Unilever	1,374	Page Industries	77	Dabur India	10	31
6	HCL Tech	1,130	Wockhardt	68	Bosch	10	29
7	HDFC	1,241	Rajaj Finance	68	Axis Bank	10	28
8	Tata Motors	1,071	GRUH Finance	62	Cummins India	10	27
9	Infosys	1,048	Blue Dart Express	59	Nestle India	10	27
10	Axis Bank	774	Amara Raja Batteries	59	M & M	10	25

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We thank Mr. Dhruv Mehta (Dhruv.Mehta@dhruvmehta.in), Investment Consultant, for his invaluable contribution to this report.
Investors are advised to refer through important disclosures made at the last page of the Research Report.

Please refer to slide on Disclaimers and Disclosures

Today's Midcaps and Small caps are Large caps of the future

Mini, Mid, Mega crossovers – FY2000-05, 2005-10, 2010-15, 2016-21

Note: Figures in brackets indicate number of companies

		2000-05: Median return CAGR Market return : 5%			2005-10: Median return CAGR Market return : 22%				
TO	Mega	158% (1)	55% (17)	21% (59)	TO	Mega	76% (2)	46% (9)	27% (66)
	Mid	57% (58)	21% (90)	-4% (59)		Mid	61% (25)	24% (89)	9% (32)
	Mini	19% (1,039)	-3% (93)	-40% (13)		Mini	11% (1,465)	4% (102)	-32% (3)
		Mini	Mid	Mega		Mini	Mid	Mega	
		FROM			FROM				
Total Stocks		1,098	200	100	Total Stocks		1,492	200	100
		2010-15: Median return CAGR Market return : 10%			2016-21: Median return CAGR Market return : 14%				
TO	Mega	68% (3)	33% (24)	11% (71)	TO	Mega	- (-)	38% (13)	12% (74)
	Mid	38% (64)	9% (88)	-13% (26)		Mid	46% (32)	15% (101)	-1% (26)
	Mini	0% (1,841)	-19% (88)	-32% (3)		Mini	-2% (2,598)	-8% (86)	- (-)
		Mini	Mid	Mega		Mini	Mid	Mega	
		FROM			FROM				
Total Stocks		1,908	200	100	Total Stocks		2,630	200	100

- **Maximum wealth is created when a small cap company becomes mid/ large cap and a mid cap company becomes a large cap**
- **Probability that a midcap will remain or become large cap in 5 years is as high as ~50%**
- **In any 5 year cycle when this plays out, there are 2-3 terrible years and 2-3 great years.**
- **2000-2003 were very bad followed by 2004-05, 2005-07 were great followed by 2008-09, 2010-13 were terrible followed by 2014-15**
- **One must look to understand and improve probabilities of success as a stock picker by applying appropriate quality (Q), growth (G) and longevity (L) filters**

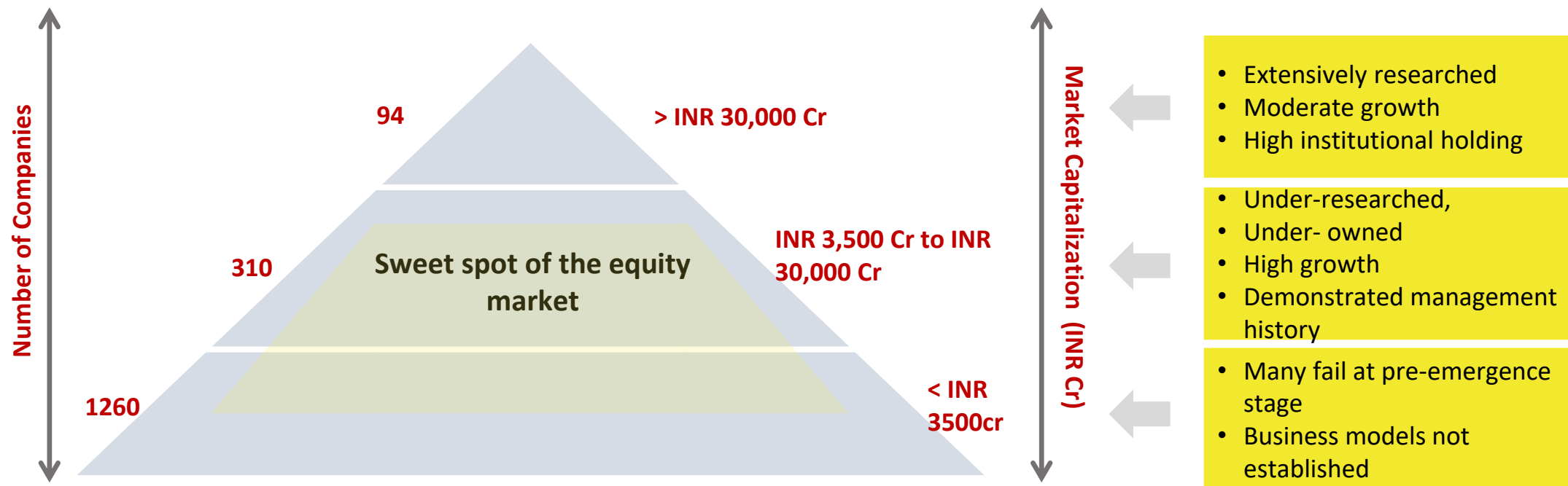
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Source: Motilal Oswal Wealth Creation Studies. Past performance may or may not be sustained in future.

Why now? – Entering the sweet spot of the market

We believe that INR 3,500 Cr – INR 30,000 Cr market cap is the sweet spot for Indian equities

They can provide excellent balance between strong growth and a demonstrated history of management success



Source: NSEIndia, data as on December 31, 2020

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Why Mid to Mega: The Winning construct



Primary Investment universe – 101-400 stock as per market capitalisation with some allocation in Large Caps to be measured by weighted average market cap at the portfolio level



Maintaining Positions in companies with relatively less/low leverage



Growth outlook of **25%** at portfolio level during TTM-FY26e with Portfolio level ROE of **17%** FY26E



Reversion to mean – Invest in companies where valuations have corrected in last 2 years while they have retained their earnings profile



Identifying Winners – Identifying winner category stocks and Multibaggers across the broader markets



Sector agnostic – little or no allocations to Commodities and global cyclicals

Disclaimer: Past performance may not be sustained in the future. Historical performance indications and financial market scenarios are not reliable indicators of current or future performance.

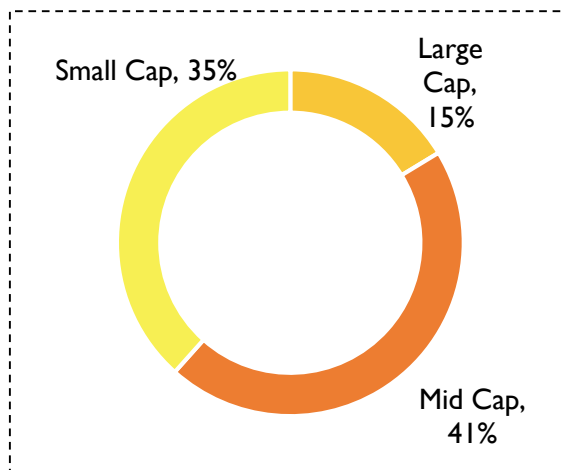
Discipline over discretion

- Allocation to be a function of convictions on companies and don't necessarily dependent on price
- Maintain active targets of profits and prices on stocks with 1, 2 and 3 years view
- Mismatch of price and timelines should lead to action on folio on both sides i.e. selling and buying
- Regular trimming of positions if price targets run ahead of time lines
- Regular addition in positions if profits are inline/ahead of times and stock prices not responding.

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Portfolio Snapshot

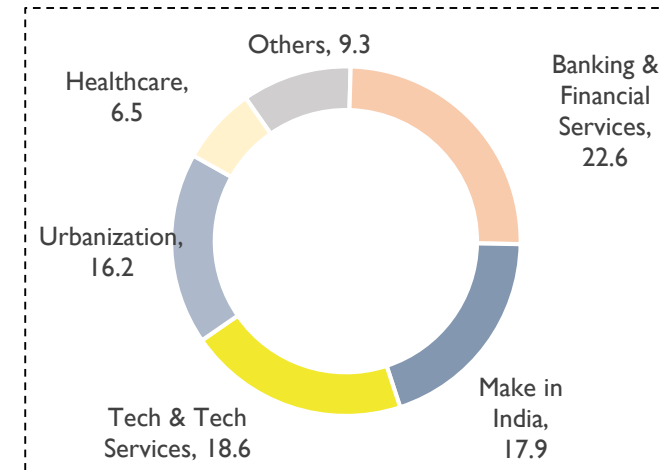
Market Cap Mix



QGLP in PRACTICE

Quality	RoE: 17% FY26E
Growth	25% PAT CAGR over TTM – 26E
Longevity	High
Price	PE: 22x FY26; PEG: 1.4x

Portfolio Mix



Data as on 31st January 2024 ; Factset Consensus Estimates. Disclaimer: The above table is an illustration of a stated example and not actual performance of any scheme. the above is for representation purpose only and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future. Stocks may or may not be forming part of the portfolio and Portfolio Manager can exit said stocks without notice.. The Sectors mentioned above are used to explain the concept and is for illustration purpose only and should not be used for development or implementation of any investment strategy. It should not be construed as investment advice to any party. The stocks may or may not be part of our portfolio/strategy/ schemes. Past performance may or may not be sustained in future.

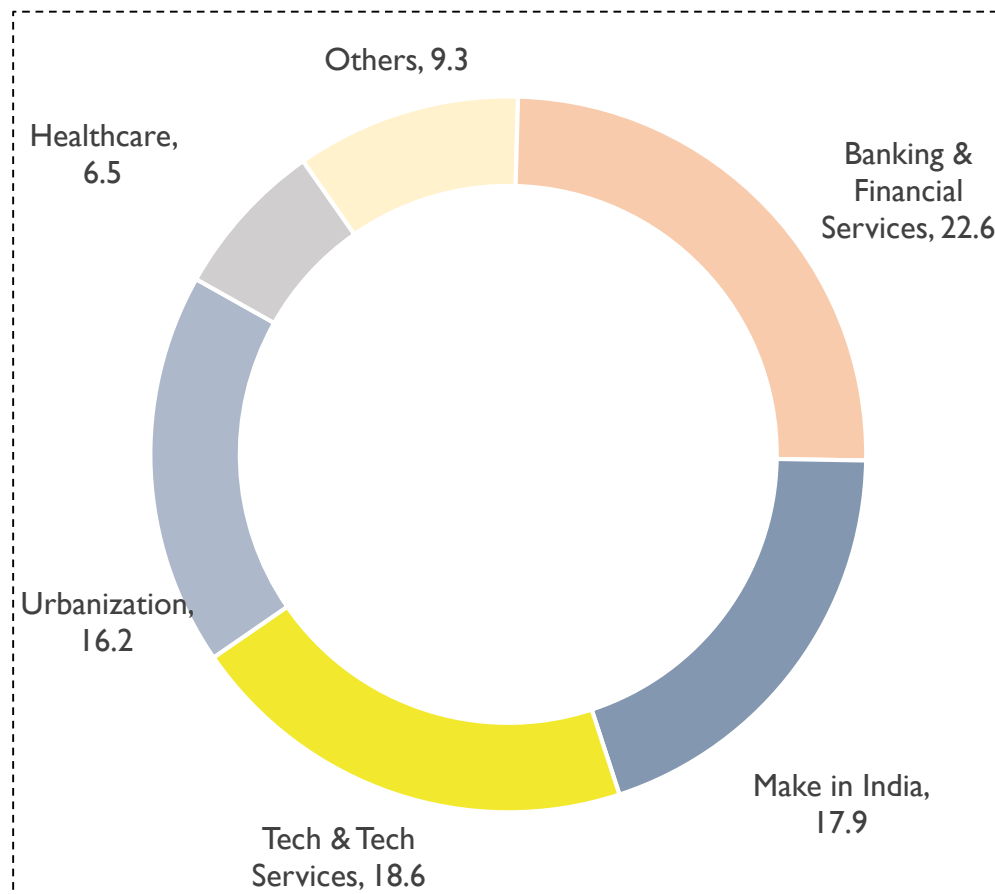
Portfolio Mix at Glance

Healthcare	Global Health
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Urbanization	TVS Motors
	Kalyan Jewellers
	Trent Ltd

Tech & Tech Services	Information Technology
	Persistent Systems
	KPIT Technologies
	Mastek Ltd
	Cyient Ltd
	eMudhra
	New Age Tech
	One 97 Communications

Others	Suzlon
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BFS	Banks
	IDFC First Bank
	Indian Bank
	Lenders
	Piramal Enterprises
	Capital Markets
BSE Ltd	
Angel One	

Make in India	Industrials
	Amber Enterprises
	APL Apollo Tubes
	Polycab India
	Apar Industries
	KEI Industries
	Defence
	Garden Reach Shipbuilders

Data as on 31-Jan,2024. Refer to Disclaimers

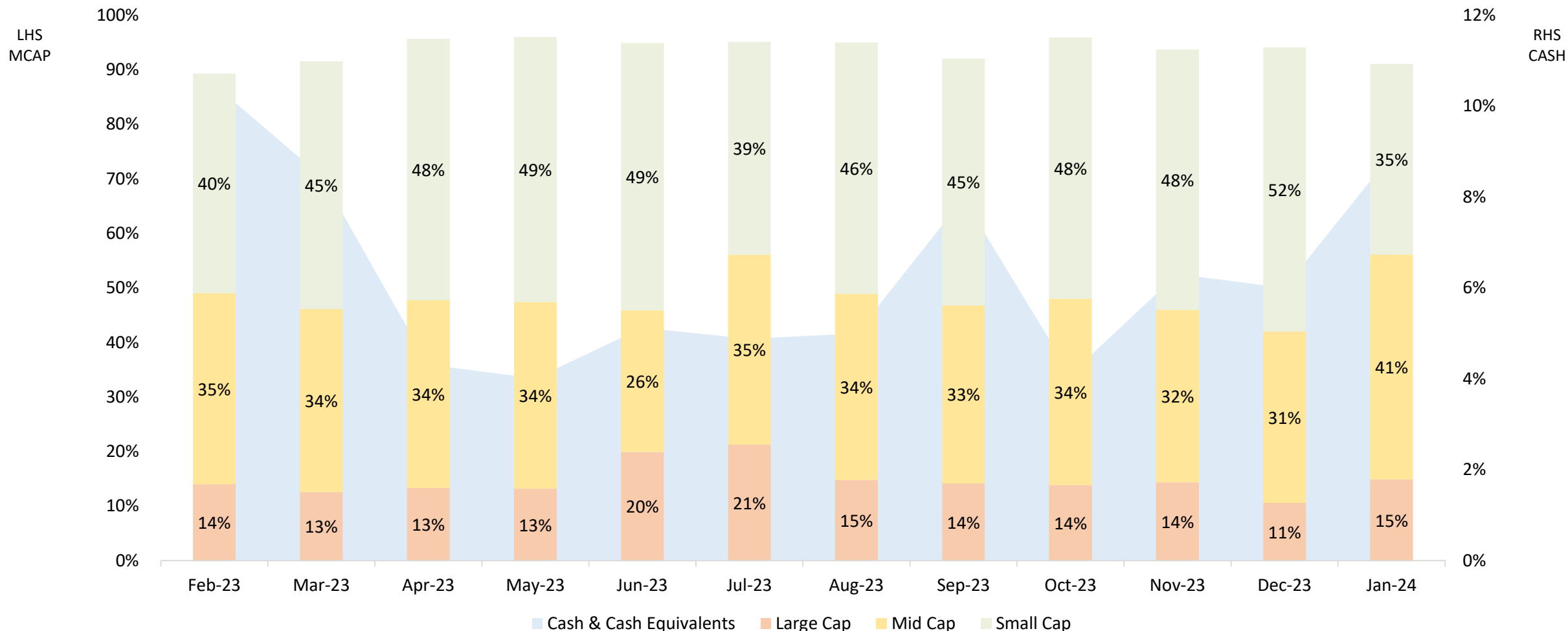
Portfolio Quants

Delivered		Expected		
	Mid to Mega	Mid to Mega	BSE 500	
2QFY24 EPS Growth	38%	Q: FY26 RoE	17%	16%
TTM 2QFY24 EPS Growth	44%	G:TTM-FY26E EPS Growth	25%	12%
		P: PEG	1.4x	2.2x

Source: MOAMC Internal Research

Data as of 31st January, 2024 Source: Factset Consensus Estimates. Disclaimer: The above table is an illustration of a stated example and not actual performance of any scheme. The above is for representation purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future. Stocks may or may not be forming part of the portfolio and Portfolio Manager can exit said stocks without notice.

Historical Market Cap Breakup with cash allocation



Data as on January 31, 2024

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Strategy has a stellar track record of identifying Multi-baggers

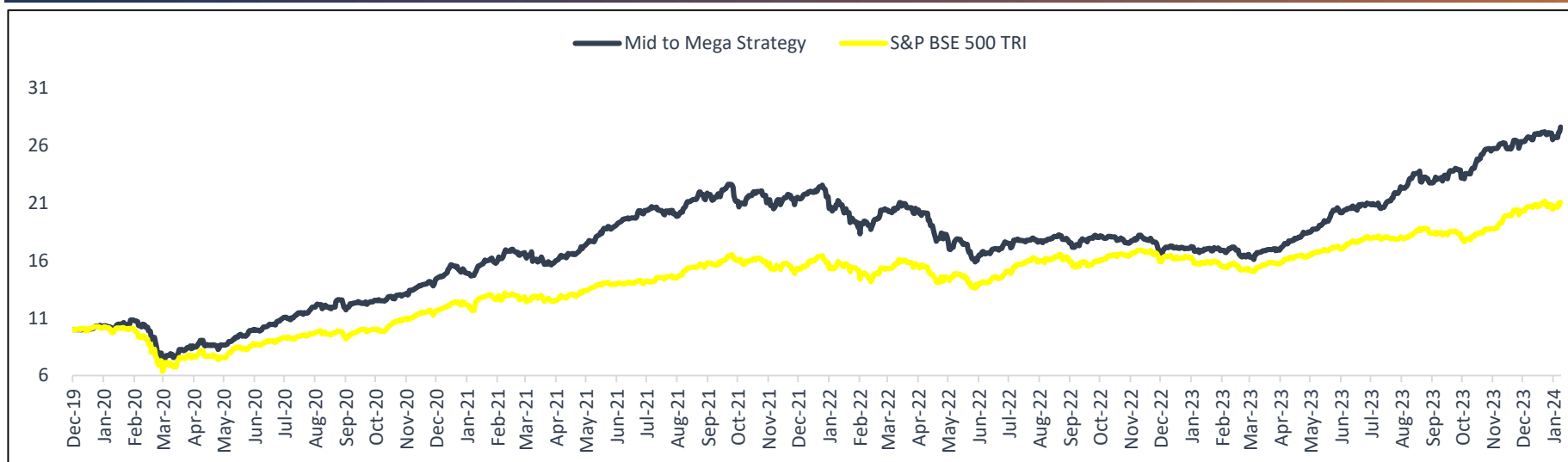
Multibaggers	Initial Buy	Portfolio Status	Multiple
PERSISTENT SYSTEMS LTD	Jun-20	Part of the Portfolio	15.1x
MASTEK LTD	Jun-20	Part of the Portfolio	9.8x
APL APOLLO TUBES LTD	Feb-20	Part of the Portfolio	7.4x
DIXON TECH	Jun-20	Exited (May-22)	3.5x

3 companies
have
multiplied
wealth over ~8
times within a
time frame of
3 years

Data as on 31st January'24

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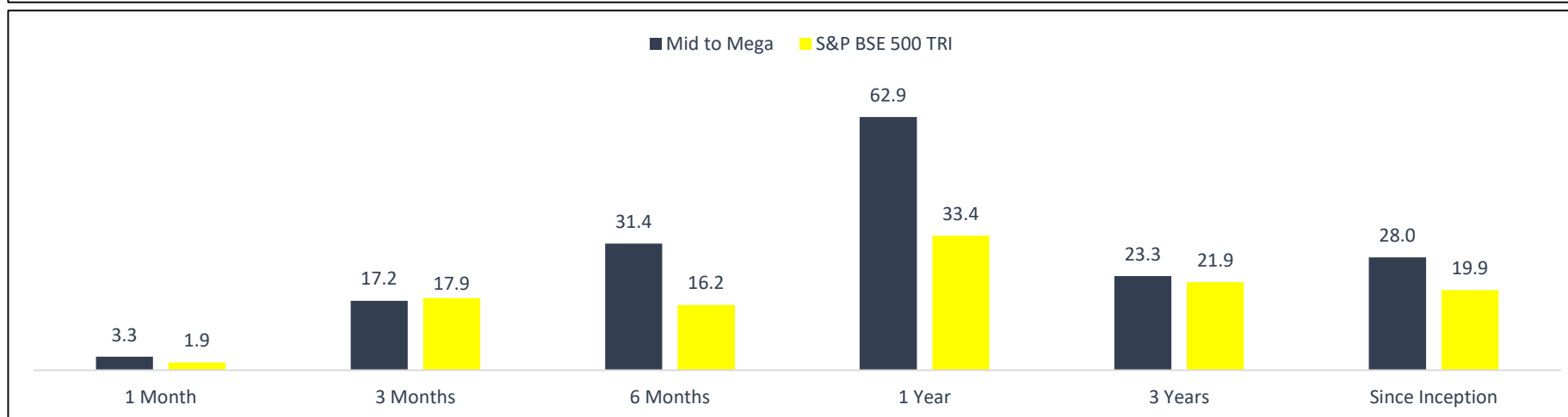
Portfolio Performance



2.8x

2.1x

One lac invested in the strategy on 24th Dec 2019 would have grown to Rs. ~2.8 lacs today against ~2.1 lacs invested in Benchmark



Mid to Mega Strategy Inception Date: 24th Dec 2019; Data as on 31st January 2024; Data Source: MOAMC Internal Research; 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. 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. 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

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Portfolio Manager



Rakesh Tarway
Fund Manager

- **Rich Experience:** He has an overall experience of 18 years in equity markets, with a focus on identifying emerging businesses in small & midcap segment.
- **Positions Hold:** He has earlier worked as Head of Research at Motilal Oswal Securities and Reliance Securities.
- **Excellent Academic Background:** Rakesh has a Masters in Management Studies (MMS) degree from Jamnalal Bajaj Institute of Management Studies (JBIMS), Mumbai.
- **Funds Managed:** Rakesh has been managing a Small Cap AIF since August 2018.

HI-QUALITY HI-GROWTH BENEFIT FROM BOTH

Motilal Oswal's investing process builds Hi-Quality & Hi-Growth portfolios.

Our **process.** Your **success.**

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THINK **MOTILAL OSWAL**



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.

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Portfolio Manager: Motilal Oswal Asset Management Company Ltd. (MOAMC) | **SEBI Registration No. :** INP 000000670

THANK YOU



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