

ASK Indian Entrepreneur Portfolio Factsheet - Feb 2024

Public

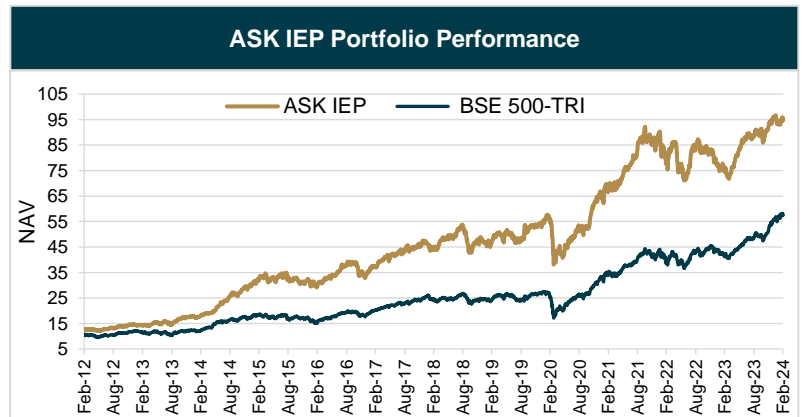
ASK Investment
Managers

Investment Approach Objective: ASK Indian Entrepreneur Portfolio (ASK IEP) invests in entrepreneurially driven and/or family-owned businesses; listed on the Indian stock markets, for compounding gains over the medium to long term.

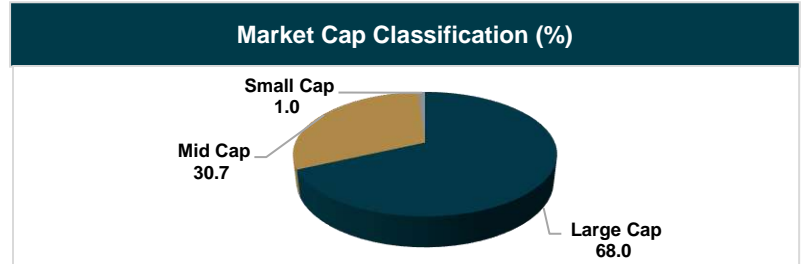
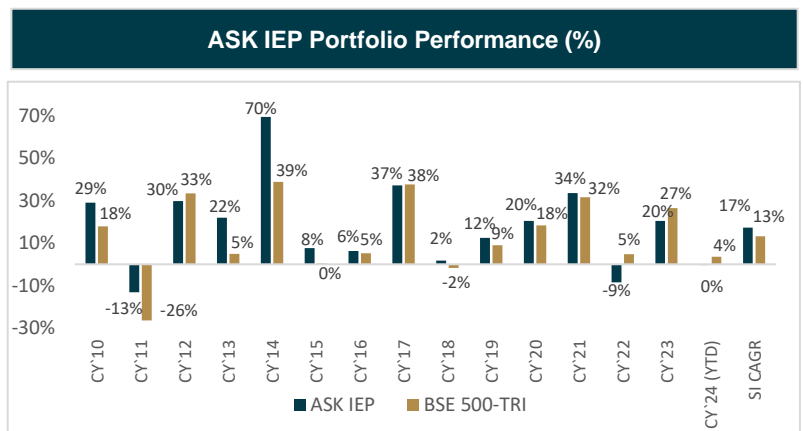
Top 10 Holdings (%)	
Reliance Industries Ltd	5.9
Bajaj Finserv Ltd	5.6
APL Apollo Tubes Ltd	5.5
Cholamandalam Investment & Finance Co. Ltd	5.4
Torrent Pharmaceuticals Ltd	5.1
Patanjali Foods Ltd	4.9
TCS Ltd	4.9
Bharti Airtel Ltd	4.6
Bajaj Finance Ltd	4.5
Astral Poly Technik Ltd	4.5

Top Sector Weights (%)	
Pharma	13.9
NBFC	10.0
Banks	6.9
Telecom	6.6
Oil & Gas	5.9
Insurance	5.6
Pipes	5.5
Retail	5.4

ASK IEP Portfolio Metrics	
Total Assets under Management & Advisory in Rs. Crs.	18,601
Weighted Average Market Cap in Rs. Crs.	3,37,456
Median Market Cap in Rs. Crs.	96,064



Rs. 1 Cr invested in ASK IEP in Jan 2010 is now worth Rs. 9.53 Crs v/s Rs. 5.76 Crs in BSE 500-TRI



ASK IEP Portfolio Update

Overall Q3FY24 earnings were broadly in line with expectations. Revenue growth for Q3FY24 for the portfolio stood at 21% yoy and profits grew 17% yoy. Key gainers during the month in the portfolio were Havells, Astral, Sona Comstar, while AU Small Finance Bank, Page, Cholamandalama Investment underperformed.

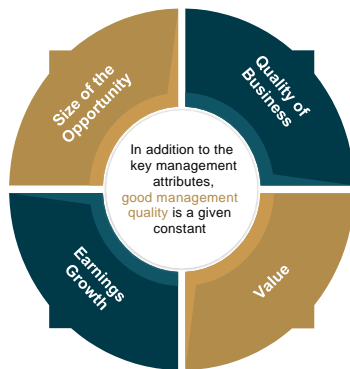
On the portfolio action front, we have trimmed weight in Asian Paints, AU Small Finance Bank, Bajaj Finance, Havells, Page Industries, Titan, and Avenue Supermart. This liquidity was used to purchase Polycab, Sun Pharmaceuticals. We further increased weight in TVS Motors and JSW Infrastructure. Polycab is the market leader in India with 12-13% market share (18-20% organized share) in Cables & Wires and continues to outperform industry (last 5 years revenue CAGR at 15%). We believe Polycab's momentum in Cable & Wires would be sustainable over next 5 years aided by government push towards infra spends (electrification, power transmission projects and renewal energy initiatives) and expected sequential recovery in real estate. Sun Pharma is a very strong play in the domestic pharma market along with the highly anticipated success in the global (especially US) specialty (Patented product) pharma market. Improvement in US generic market, ramp up in specialty portfolio along with margin improvement, strong global franchise makes it a strong pharma play. Resolution of its facility can add further to the already improving business.

Over the medium to long term, we believe that various regulatory/fiscal initiatives taken in the past few years coupled with transition in the manufacturing sector (favorable policy environment coupled with opportunities from shift in global supply chain) will translate into structurally sustainable superior growth in the country and for-profit growth of India Inc.

Note: Inception Date of ASK IEP is 25-Jan-2010. 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 Feb 29th, 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. Source: Closing Price as sourced from Bloomberg. Returns for 1 year or less time period are absolute returns, while more than 1 year are CAGR. Market Cap is according to AMFI Classification which happens half yearly. Classification as on Dec '23. 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.

Key Investment Approach Objectives & Attributes

- Size of pond vs size of fish
- Dominance
- Resilience
- Liquidity

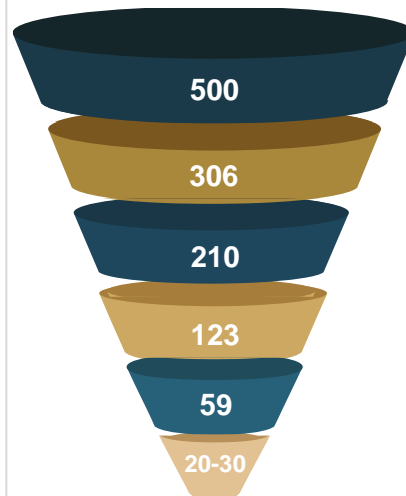


- High quality of business
- (Superior RoCE)
- Strong moat, Impregnability
- Sustainability
- Key pivot of strong wealth creation

- Quantum
- Consistency
- Durability
- Predating (Early vs Later)
- Compounding power

- Favorable Price-Value Gap
- Margin of safety

Investment Approach Research Methodology & Filtration



Top 500 as per market capitalization

Only companies > 25% promoter / family holding (except in very rare and fit cases), Universe of Entrepreneurs and/or Family Owned Business = 306 cos

Condition of minimum PBT of INR 100 Crs (USD 16 mn)

Subjective evaluation on management quality, their integrity, vision, past track record, execution, capital allocations and distribution skills, corporate governance standards etc.

Quality of Business (Capital Efficiency) - Minimum ROCE of 25%

Two more filters for selection of stocks a) Minimum 20-25% earnings growth over the next 3 to 5 years without capital dilution and b) Price-Value gap (Margin of Safety) of 20%

FY-wise Drawdown Analysis

Financial Year	Max Drawdown		FY Performance	
	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%

ASK IEP Portfolio Cos Average Performance over last 5 years (CAGR) as on FY23

Sales	OP	PBT	ROCE*	PAT
17%	17%	18%	30%	22%

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

Risk Parameters (Since inception)

Parameter	ASK IEP	BSE 500-TRI
Beta	0.84	NA
Standard Deviation	15.9%	16.2%
Sharpe Ratio	0.59	0.36

Key Terms

Portfolio Name	ASK Indian Entrepreneur Portfolio (IEP)
Platform / Structure	PMS
Benchmark	BSE 500 TRI
Portfolio Managers	Mr. Sumit Jain (Primary Portfolio Manager) / Chetan Thacker (Co-Portfolio Manager)
Minimum Initial Investment Amount	Rs. 50 Lakhs
Minimum Add-on Investment Amount	Rs. 5 Lakhs
Fees ¹	Fixed Management Fees: 2.50% p.a.
Systematic Transfer Plan (STP) ²	Investments will be made in a staggered manner as per the instructions provided by the client. Fees as per the respective strategy (ASK Liquid / ASK Equity) will be charged for the invested amount.

Notes:

- ¹In addition to the Management Fees, there are Recurring Expenses including Custody Fee, Account Opening Charges, Audit Fees, etc. to be payable at actuals. All fees and expenses will be subject to applicable taxes. For more details, kindly refer the Fee Schedule.
- ²Kindly refer to the STP Application Form for the detailed terms and conditions.
- Exit Charges are calculated on each tranche of inflow (initial or additional). Redemption amount is arrived at after calculation and charging of all Fees and

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