



MOTILAL OSWAL

ASSET MANAGEMENT

MOTILAL OSWAL VALUE MIGRATION STRATEGY

March 2024

(Data as on 29th February 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 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: Amber Enterprises, Inox Wind & MCX India

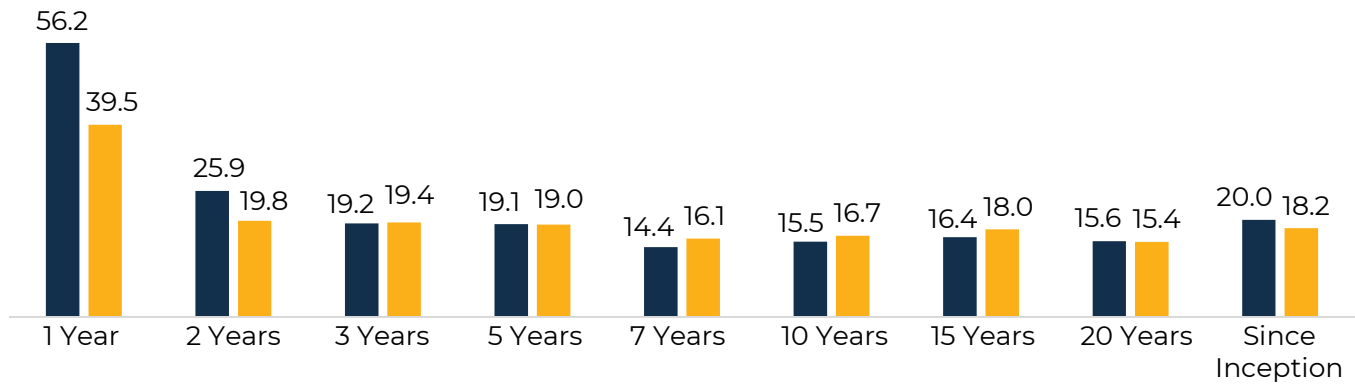
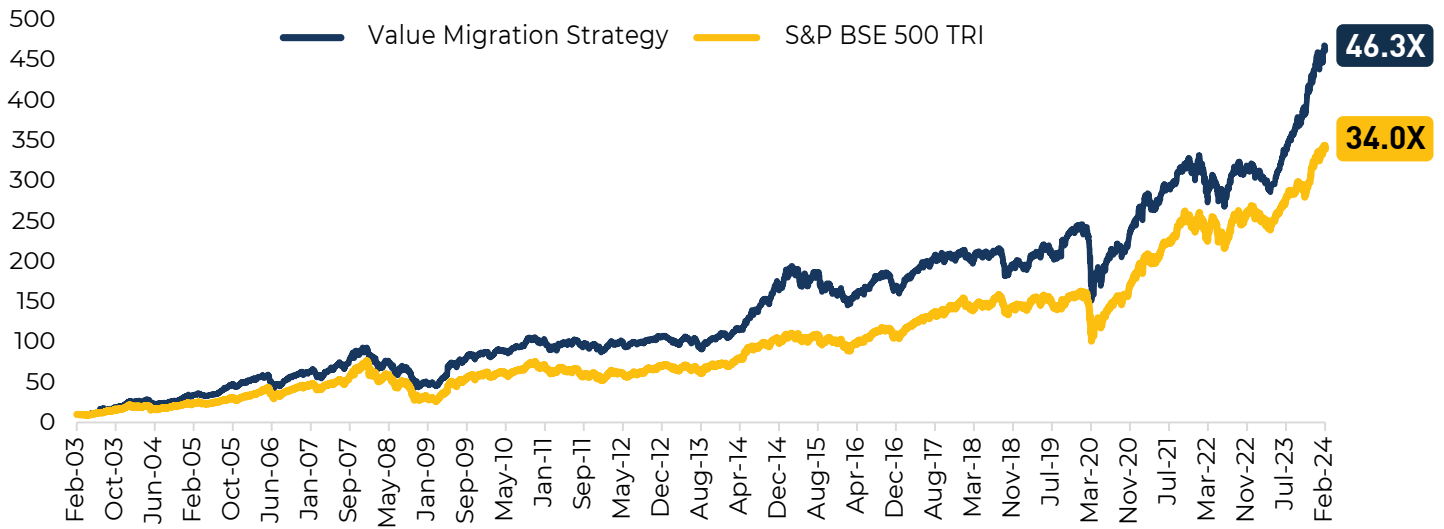
Companies Exited: Home First Finance Company, Medplus Health Services & One97 Communications

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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.

Performance Since Inception

One lac invested in the strategy on 18th Feb 2003 would have grown to ~₹46.3 lacs against ~₹34.0 lacs invested in the Benchmark



Strategy Contributors (3 Year Trailing)

Top 5	Contribution
Zomato Ltd.	8.9%
Global Health Ltd.	5.4%
Kalyan Jewellers India Ltd.	4.7%
BSE Ltd.	4.3%
Suzlon Energy Ltd.	3.8%

Bottom 5	Contribution
One 97 Communications Ltd.	-1.3%
Infosys Ltd.	-0.6%
Amber Enterprises India Ltd.	-0.4%
HCL Technologies Ltd.	-0.2%
Multi Commodity Exchange of India Ltd.	-0.1%

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	21.3%
Mid Cap	28.4%
Small Cap	49.8%
Cash & Equivalents	0.5%

QGLP Metrics	Value
Q : ROE FY26E	18.8%
G: PAT Growth TTM-FY26E	35.4%
P : PE FY26E	22.7x

Holdings & Sectoral Allocation

Scrip Name	(%) Holding
Zomato	8.2
Kalyan Jewellers India	6.6
BSE	6.5
Prestige Estates Projects	6.3
Suzlon Energy	5.5
Global Health	5.3
Kaynes Technology India	4.9
Angel One	4.9
Apar Industries	4.6
Larsen & Toubro	4.6
IndusInd Bank	4.4
Archean Chemical Industries	4.2
Bharat Electronics	4.1
Gujarat Fluorochemicals	4.0
Inox Wind	3.9
eMudhra	3.6
CG Power and Industrial Solutions	3.3
Amber Enterprises India	3.0
Multi Commodity Exchange of India	2.9
Religare Enterprises	2.9
IDFC First Bank	2.6
Finolex Cables	2.4
IDFC	0.8

Sector	(%) Allocation
Capital Goods	28.6
Financial Services	25.1
Consumer Durables	9.6
Chemicals	8.2
Consumer Services	8.2
Realty	6.3
Healthcare	5.3
Construction	4.6
Information Technology	3.6
Cash & Equivalents	0.5

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 +

Entry Rationale:

MCX India

- MCX has migrated successfully to its new CDP (Commodity Derivatives Platform). With that behind, the focus is now on garnering sustainable volumes. Commencement of DMA for FPI investors and the launch of new products will scale up volumes further going ahead.
- The launch of new products like steel bars, index options, and shorter-duration options will further boost volumes. The launch of monthly contracts expiring every week (subject to regulatory approval) is expected to boost volume by ~50% as the expiry week constitutes ~40% of monthly volume. The objective is to reduce the tick size, which will boost retail participation. This shall drive profitability and return ratios going ahead.

Exit Rationale:

Medplus Health

- Exited for better available opportunities

One97 Communications

- Decision to exit the stock as a part of internal Risk Management Framework post RBI action against Paytm Payments Bank.

Home First Finance

- Reported NIM contracted ~35bp QoQ to 5.7%. Incremental CoF (excl. NHB borrowings) stood at 8.7%. Overall marginal CoF (incl. NHB borrowings) stood at 8.4% in 3QFY24. We expect a sharp contraction in spreads and margins in order to sustain the business momentum. This might impact profitability and hence we decided to exit the stock.

Disclaimers and Risk Factors

Value Migration Strategy Inception Date: 18th Feb 2003; Data as on 29th February 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

HI-QUALITY HI-GROWTH BENEFIT FROM BOTH

MOTILAL OSWAL

Motilal Oswal's investing process builds Hi-Quality & Hi-Growth portfolios.
Our **process**. Your **success**.

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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.