



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

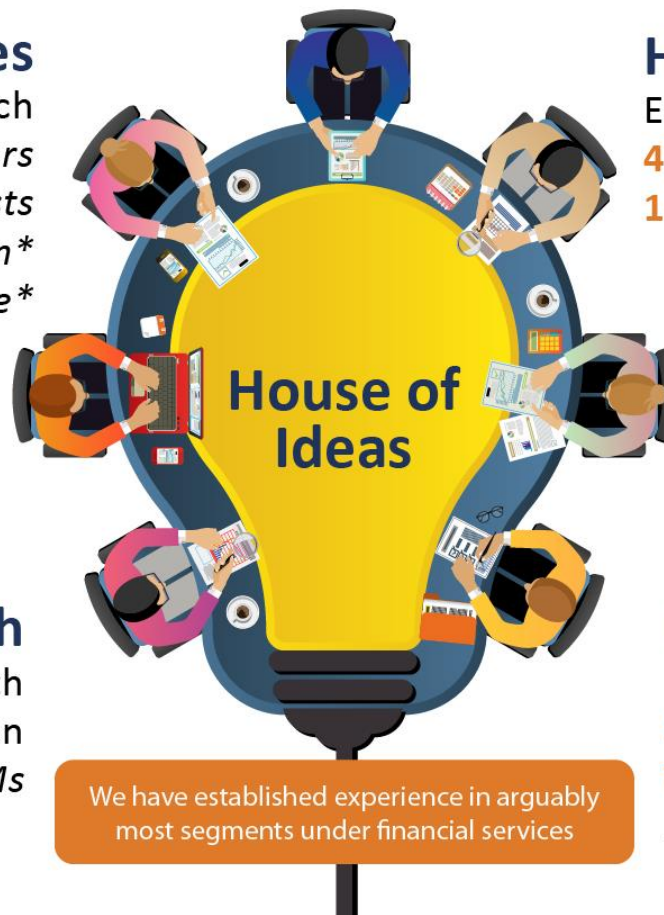
20+ team **6** deals in 1QFY24 **3,730** cr
worth deals

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



We have established experience in arguably
most segments under financial services

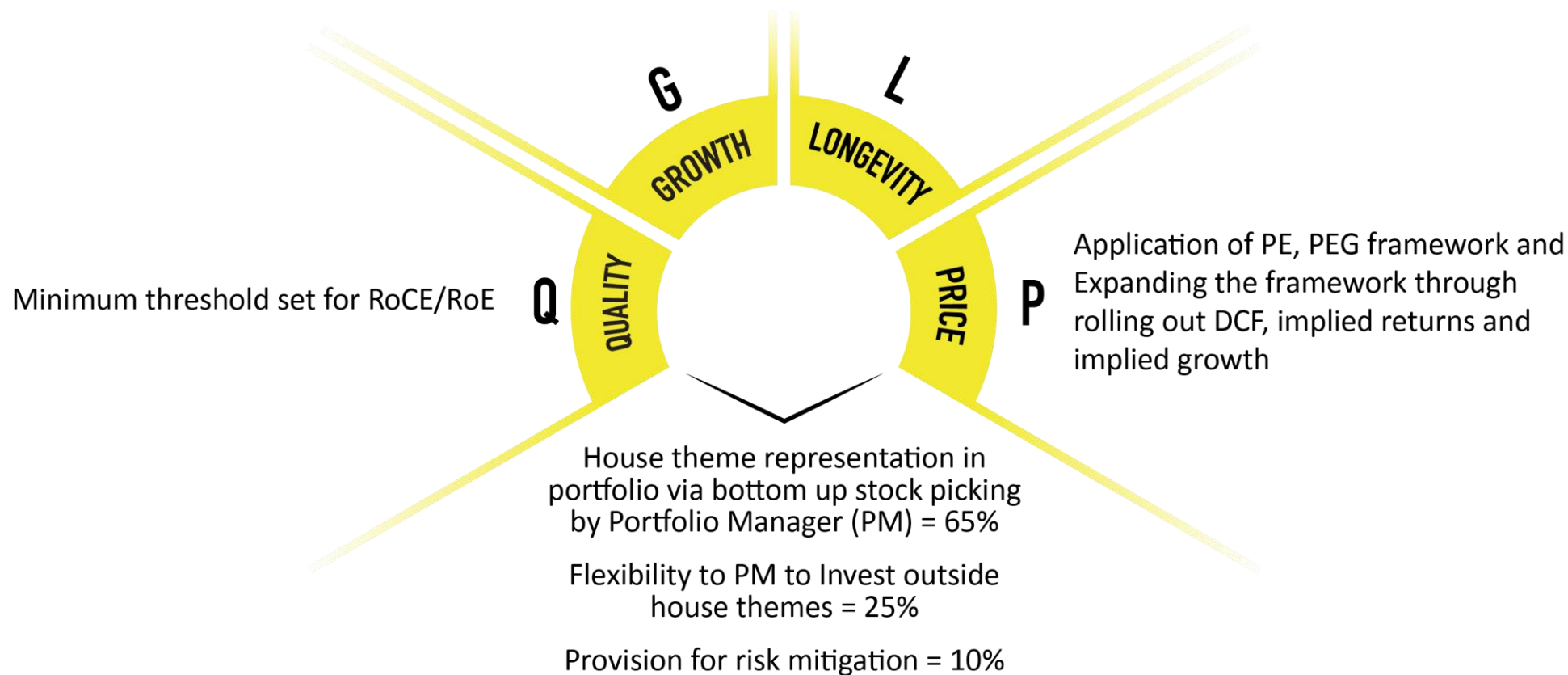
Source: MOAMC Internal, Data as on 30th June, 2023.

*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

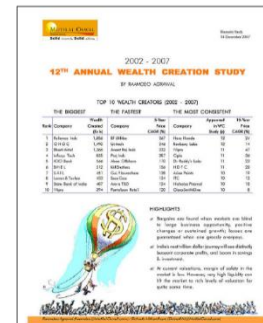
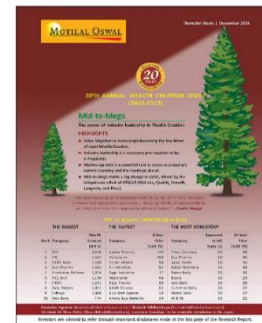
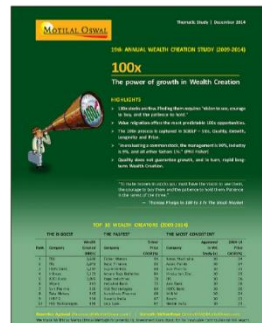


Stringent Liquidity Framework

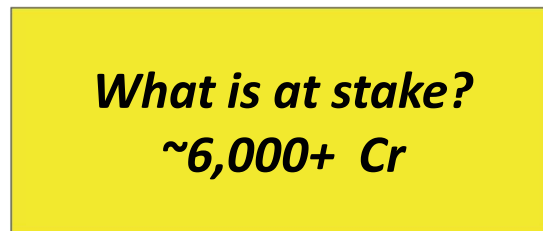
Ensuring efficient management for ability to take necessary action

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.

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

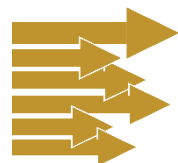
The above transition is mainly seen in companies who are



Industry leaders



Industry Tailwinds



Value migration beneficiaries

MOTILAL OSWAL
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 lolapalooza effect of MOGLP (Mid-size, Quality, Growth, Longevity and Price).

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

TOP 10 WEALTH CREATORS (2010-2015)

Rank	THE BIGGEST		THE FASTEST		THE MOST CONSISTENT	
	Company	Wealth Created (INR b)	Company	5-Year Price CAGR (%)	Company	Appeared in WC Study (x)
1	TCS	3,458	Ajanta Pharma	119	Titan Company	10
2	ITC	1,565	Symphony	108	Sun Pharma	10
3	HDFC Bank	1,540	Eicher Motors	90	Asian Paints	10
4	Sun Pharma	1,405	P I Industries	85	Kotak Mahindra	10
5	Hindustan Unilever	1,374	Page Industries	77	Dabur India	10
6	HCL Tech	1,130	Wockhardt	68	Bosch	10
7	HDFC	1,241	Rajaj Finance	68	Axis Bank	10
8	Tata Motors	1,071	GRUH Finance	62	Cummins India	10
9	Infosys	1,048	Blue Dart Express	59	Nestle India	10
10	Axis Bank	774	Amara Raja Batteries	59	M & M	10

Raamdeo Agrawal (Raamdeo@MotilalOswal.com) / Shrinath Mithanthy (ShrinathM@MotilalOswal.com)
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

Movement across ranks with better strike rate is seen among Midcaps

Strike rate of over 6% within a focused universe

Rank Crossovers - Mar-2016 to Mar-2021

Category returns; No. of companies in brackets

Market Return during the period **14%**

	Mega	- (0)	38% (13)	12% (74)
TO	Mid	46% (32)	15% (101)	-1% (26)
	Mini	2% (2,598)	-8% (86)	- (0)

Mini

Mid
FROM

Mega

Total stocks

2,630

200

100

- Only 32 of 2,630 moved from Mini to Mid
- This translates to a strike rate of < 2%
- Downside risk high

- 13 of 200 stocks moved from Mid To Mega
- This translates to a strike rate of 6.5%
- Downside risk low
- Avoiding mistakes is possible and that itself can be very rewarding

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**

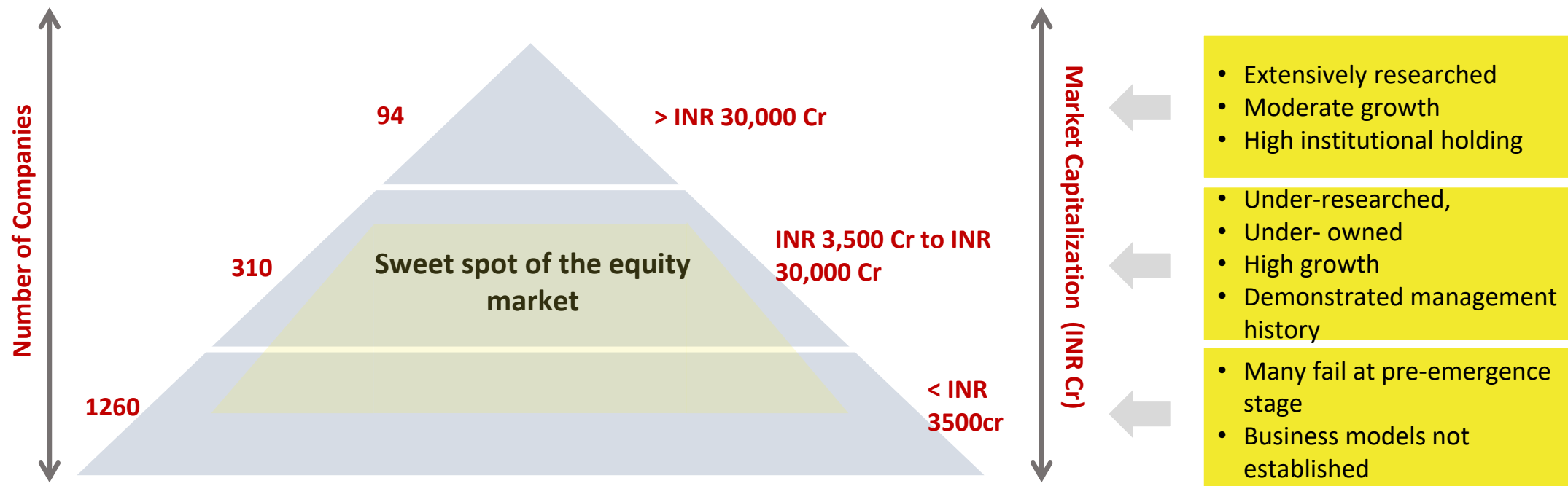
Disclaimer: The statements made herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. The above information should not be used for development or implementation of an investment strategy. It should not be construed as investment advice to any party.

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

Disclaimer: 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 be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

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 FY24-FY26e with Portfolio level ROE of **19%** 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.

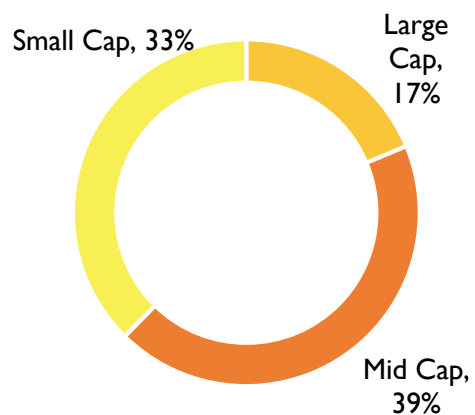
Discipline over discretion

- 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.

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.

Portfolio Snapshot

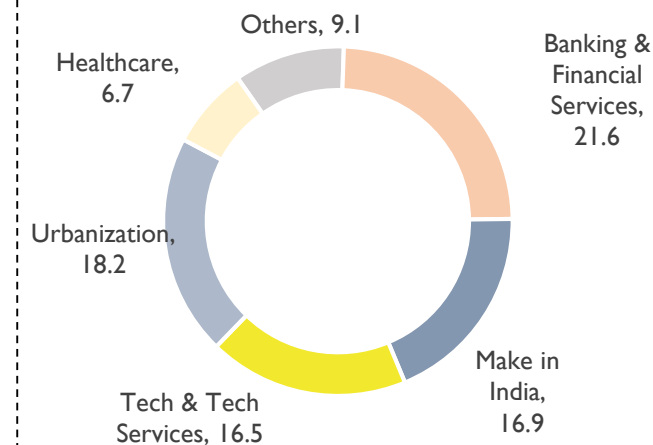
Market Cap Mix



QGLP in PRACTICE

Quality	RoE: 19% FY26E
Growth	25% PAT CAGR over FY24 – 26E
Longevity	High
Price	PE: 21x FY26; PEG: 1.4x

Portfolio Mix



Data as on 29th February 2024 ; Factsset 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.

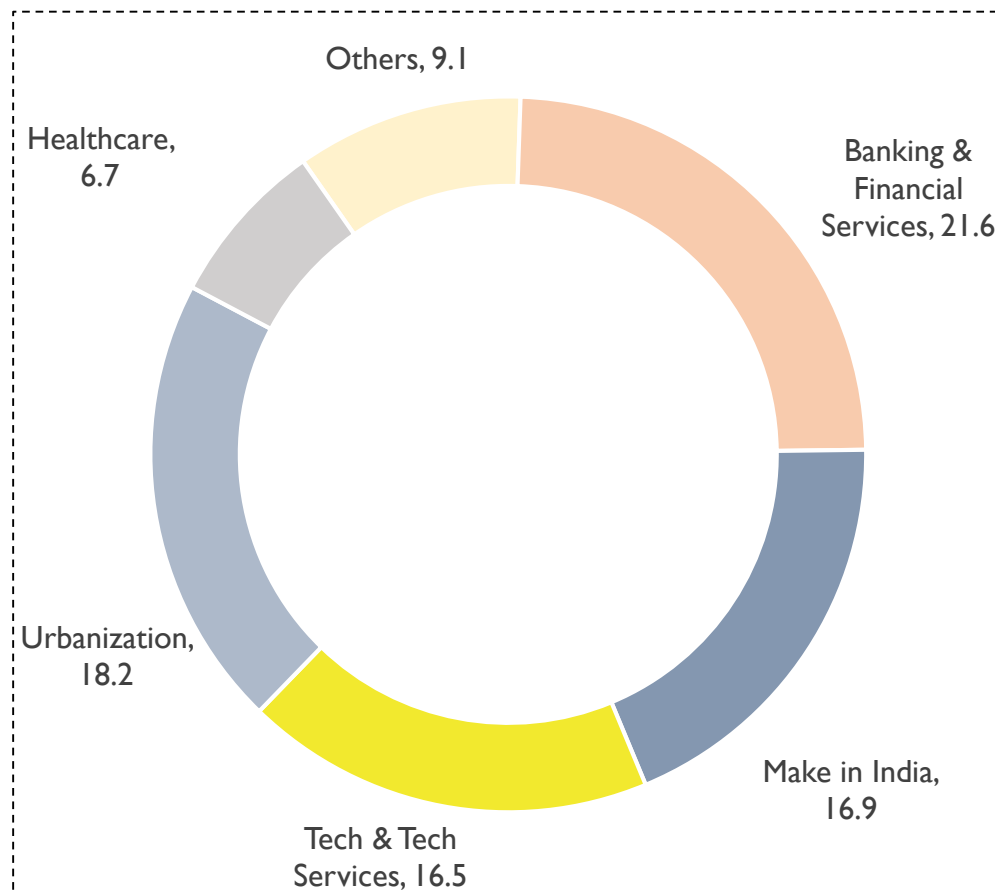
Portfolio Mix at Glance

Healthcare	Global Health
-------------------	---------------

Urbanization	TVS Motors
	Kalyan Jewellers
	Trent Ltd

Tech & Tech Services	Information Technology
	Persistent Systems
	KPIT Technologies
	Mastek Ltd
	Cyient Ltd
	eMudhra

Others	Suzlon
---------------	--------



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 29-Feb,2024. Refer to Disclaimers

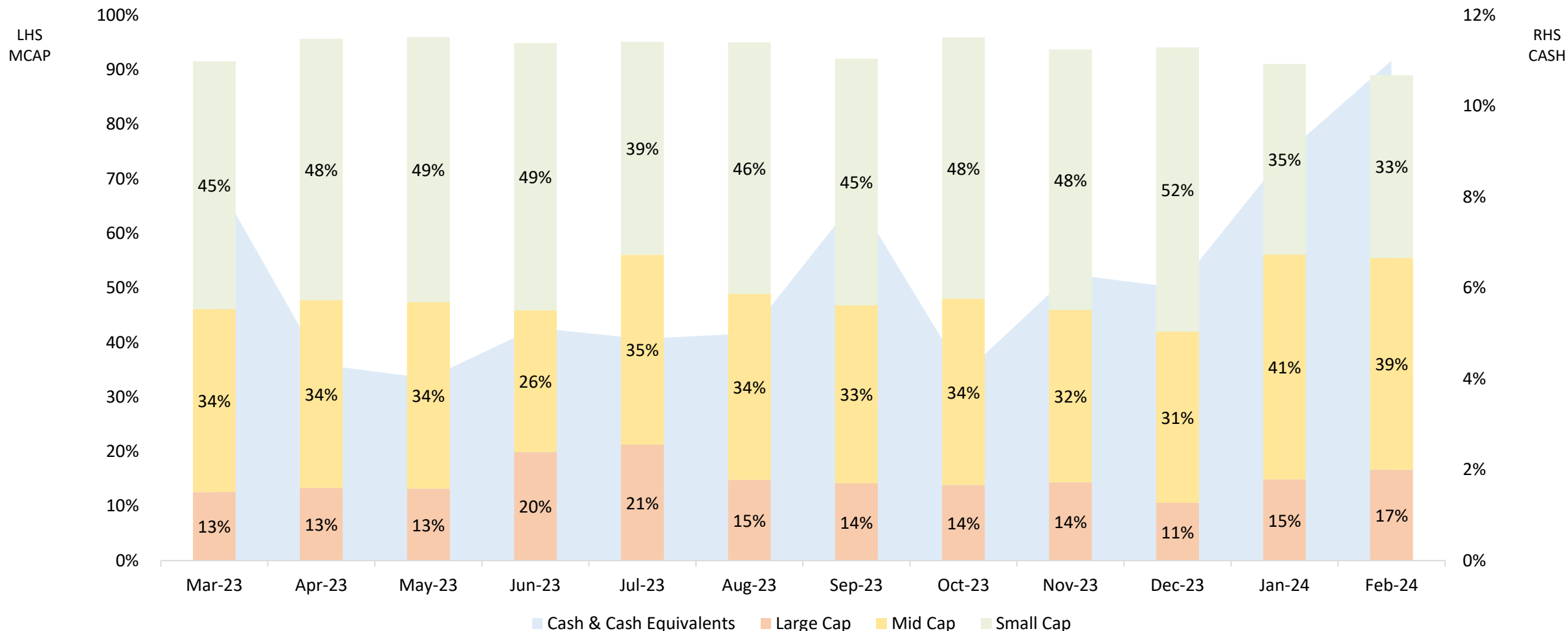
Portfolio Quants

Delivered		Expected		
	Mid to Mega	Mid to Mega	BSE 500	
3QFY24 EPS Growth	35%	Q: FY26 RoE	19%	16%
TTM 3QFY24 EPS Growth	65%	G: FY24-FY26E EPS Growth	25%	16%
		P: PEG	1.4x	1.6x

Source: MOAMC Internal Research

Data as of 29th February, 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 February 29, 2024

Disclaimer: The above chart/table is used to explain the concept and is for illustration purpose only. The stocks/sectors may or may not be part of our portfolio/ strategy/ schemes. The data mentioned herein are for general and comparison purpose only and not a complete disclosure of every material fact and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

Strategy has a stellar track record of identifying Multi-baggers

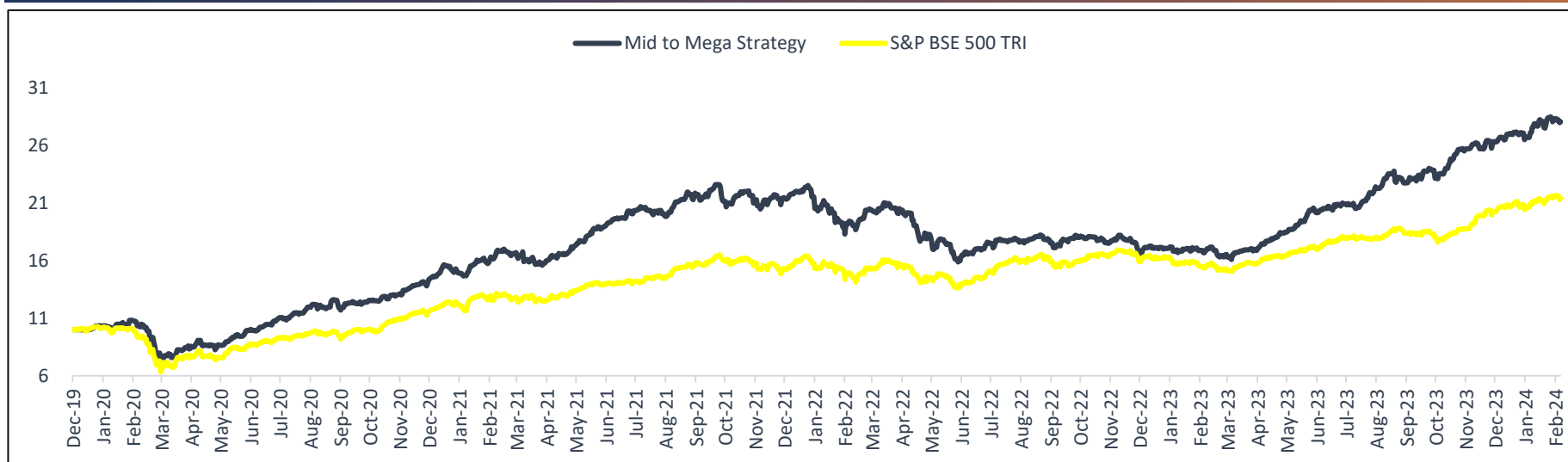
Multibaggers	Initial Buy	Portfolio Status	Multiple
PERSISTENT SYSTEMS LTD	Jun-20	Part of the Portfolio	15.7x
MASTEK LTD	Jun-20	Part of the Portfolio	10.0x
APL APOLLO TUBES LTD	Feb-20	Part of the Portfolio	7.7x
DIXON TECH	Jun-20	Exited (May-22)	3.5x

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

Data as on 29th February'24

Disclaimer: Investors are requested to note that as a manager to the products of various business segments offered by Motilal Oswal Asset Management Company (MOAMC) or its associates has financial interest in the stocks mentioned herein. MOAMC or its associates did not receive any compensation from or other benefits from the subject company/ies whose stocks are mentioned herein or from a third party in connection with the same

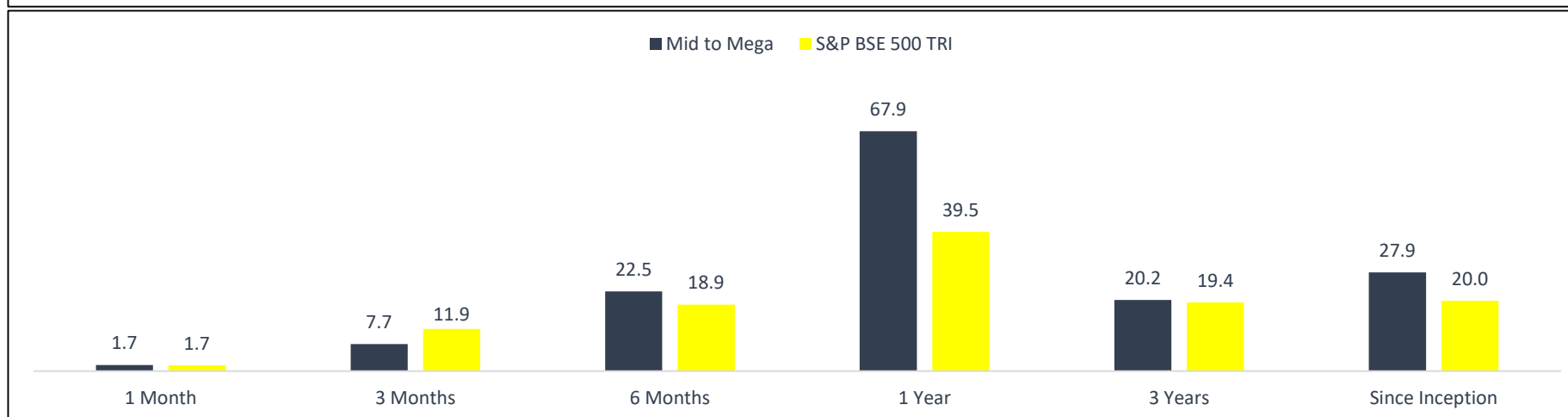
Portfolio Performance



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 29th February 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

THINK EQUITY. THINK MOTILAL OSWAL.

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**.

THINK **EQUITY**
THINK **MOTILAL OSWAL**

MOTILAL OSWAL
ASSET MANAGEMENT

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.

Disclaimer

Disclaimer: This presentation has been prepared and issued on the basis of internal data, publicly available information and other sources believed to be reliable. The information contained in this document is for general purposes only and not a complete disclosure of every material fact and terms and conditions. The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. All opinions, figures, charts/graphs, estimates and data included in this presentation are as on date and are subject to change without notice. While utmost care has been exercised while preparing this document, Motilal Oswal Asset Management Company does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Readers shall be fully responsible / liable for any decision taken on the basis of this presentation. No part of this document may be duplicated in whole or in part in any form and/or redistributed without prior written consent of the Motilal Oswal Asset Management Company. Readers should before investing in the Strategy make their own investigation and seek appropriate professional advice. • Investments in Securities are subject to market and other risks and there is no assurance or guarantee that the objectives of any of the strategies of the PorVolio Management Services will be achieved. • Clients under PorVolio Management Services are not being offered any guaranteed/assured returns. • Past performance of the PorVolio Manager does not indicate the future performance of any of the strategies. • The name of the Strategies do not in any manner indicate their prospects or return. • The strategy may not be suited to all categories of investors. • The material is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon as such. • Neither Motilal Oswal Asset Management Company Ltd. (MOAMC), nor any person connected with it, accepts any liability arising from the use of this material. The recipient of this material should rely on their investigations and take their own professional advice. • Opinions, if any, expressed are our opinions as of the date of appearing on this material only. While we endeavour to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. • The PorVolio Manager is not responsible for any loss or shortfall resulting from the operation of the strategy.

• Recipient shall understand that the aforementioned statements cannot disclose all the risks and characteristics. The recipient is requested to take into consideration all the risk factors including their financial condition, suitability to risk return, etc. and take professional advice before investing. As with any investment in securities, the Value of the porVolio under management may go up or down depending on the various factors and forces affecting the capital market. Disclosure Document shall be read carefully before executing the PMS agreement. • Prospective investors and others are cautioned that any forward - looking statements are not predictions and may be subject to change without notice. • For tax consequences, each investor is advised to consult his / her own professional tax advisor. • This document is not for public distribution and has been furnished solely for information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions. No part of this material may be duplicated in any form and/or redistributed without MOAMC's prior written consent. • Distribution Restrictions – This material should not be circulated in countries where restrictions exist on soliciting business from potential clients residing in such countries. Recipients of this material should inform themselves about and observe any such restrictions. Recipients shall be solely liable for any liability incurred by them in this regard and will indemnify MOAMC for any liability it may incur in this respect.

Custodian: Deutsche Bank A.G. | **Auditor:** BDO India LLP | **Depository:** Central Depository Services Ltd
Portfolio Manager: Motilal Oswal Asset Management Company Ltd. (MOAMC) | **SEBI Registration No. :** INP 000000670

THANK YOU



THINK EQUITY. THINK MOTILAL OSWAL.