

December 2021 (Data as on 30<sup>th</sup> November 2021. Inception date – 18<sup>th</sup> February 2003)



## INVESTMENT APPROACH

**Strategy Name:** Value 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:** Nifty 50 TRI

**Indicative tenure or investment horizon:** Medium to Long term



## KEY FEATURES & PORTFOLIO ATTRIBUTES

Large cap oriented portfolio with ~65% weightage

17+ years track record with annualized return of 20.0% since inception (an alpha of 2.5% over Nifty 50 TRI)

Concentrated portfolio of 25 stocks with high earnings growth

Each of the portfolio companies are market leaders in their respective segments

Index agnostic: ~72% away from benchmark Nifty 50



## PORTFOLIO ACTIONS IN LAST 6 MONTHS

**Companies Added:** SBI Life Insurance Company Ltd.,

G R Infraprojects Ltd., VIP Industries Ltd.

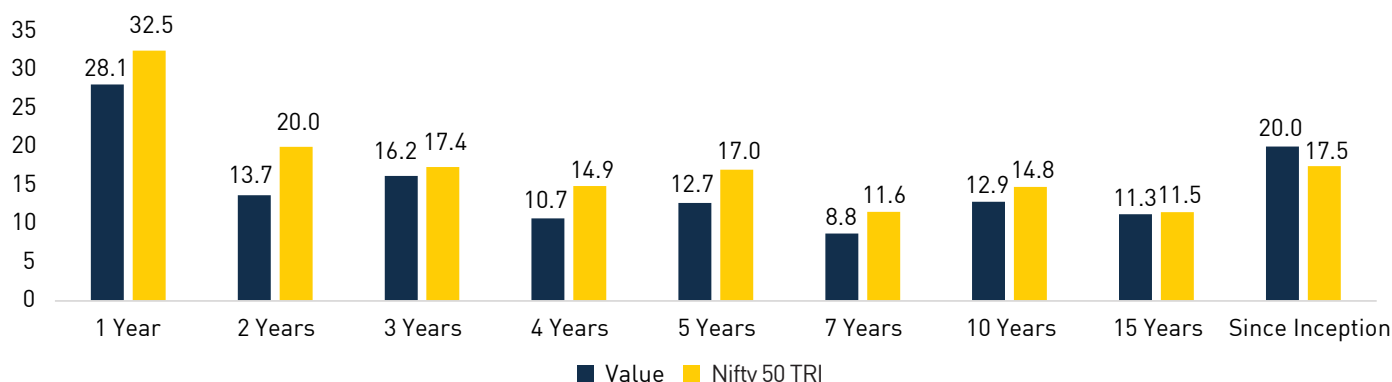
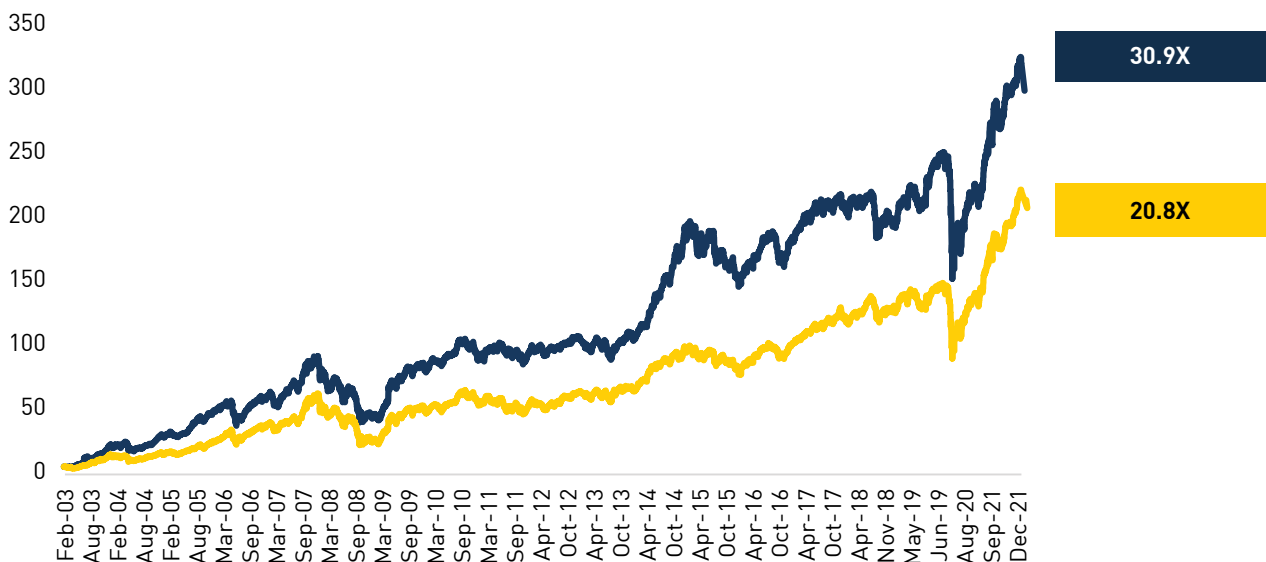
**Companies Exited:** HDFC Life Ltd., Petronet LNG Ltd., Ipcalabs Ltd., BPCL



## PERFORMANCE SINCE INCEPTION

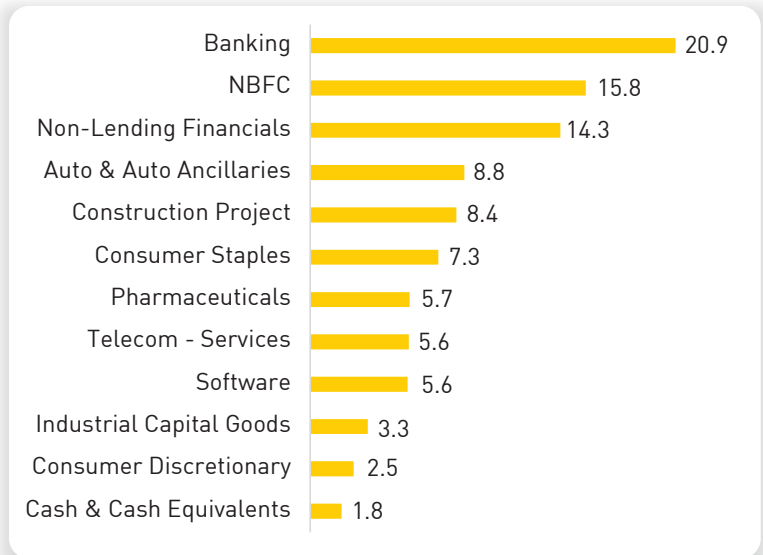
One lac invested in the strategy on 18th Feb 2003 would have grown to ₹ 31 lacs today against 21 lacs invested in Benchmark

Value Strategy Nifty 50 TRI



## TOP 10 HOLDINGS & SECTORAL ALLOCATION

Scrip Name	(%) of Holding
ICICI Bank Ltd.	11.7
MAX Financial Services Ltd.	9.4
SBI Cards And Payment Services Ltd.	6.5
HDFC Bank Ltd.	5.7
Bharti Airtel Ltd.	5.6
HCL Technologies Ltd.	5.6
Larsen & Toubro Ltd.	5.5
Tube Investment of India Ltd.	5.0
SBI Life Insurance Company Ltd.	4.9
Home First Finance Company India Ltd.	4.7



## STRATEGY CONTRIBUTORS (3 Year Trailing 30<sup>th</sup> November 2021)

Top 5	Contribution
Max Financial Services Ltd.	12.7%
ICICI Bank Ltd.	8.8%
HDFC Life Insurance Co. Ltd.	8.0%
Tube Investments of India Ltd.	7.3%
Ipca Laboratories Ltd.	6.6%

Bottom 5	Contribution
Bharat Forge Ltd.	-3.1%
Quess Corp Ltd.	-1.4%
Eicher Motors Ltd.	-1.2%
Axis Bank Ltd.	-0.5%
Hero Motocorp Ltd.	-0.4%

## RISK RATIOS

3 Year Data	Strategy	Benchmark
Churn Ratio	33.8%	-
Standard Deviation	18.2%	18.6%
Beta	0.89	1.0
Sharpe Ratio	0.42	0.46

## PORTFOLIO FUNDAMENTALS & MARKET CAP

Market Cap	Weightage
Large Cap	65%
Mid Cap	26%
Small Cap	7%
Cash & Equivalents	2%

	TTM
PAT Growth	105%
RoE	15%
PE	54

## HOW BUY RIGHT : SIT TIGHT WORKS

Company	Initial Purchase Date	Market Cap (Initial Purchase date)*	Market Cap (30 <sup>th</sup> Nov 2021)*	Absolute Growth	CAGR (%)
HDFC Bank	Jul-08	40,986	8,27,570	20.2X	25%

\*Market cap in crores

**Disclaimers and Risk Factors:** Value Strategy Inception Date: 18th Feb 2003; Data as on 30th November 2021; Data Source: MOAMC Internal Research; RFR: 7.25%; \*Earnings as of Dec 2020 quarter and market price as on 30th November 2021; 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.

Our PMS services are available in direct mode, to know more, write to us at [pmsquery@motilaloswal.com](mailto:pmsquery@motilaloswal.com)

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**SIT TIGHT**