

For Q3FY 2023



Our Expert fund manager, with their years of experience, can spot the

# HIDDEN POTENTIAL

of Investments, which others may miss



31<sup>st</sup> December, 2024

Investment Approach

IMPRESS  
PORTFOLIO



## Objective

Focus on Return Optimization by investing in multicap portfolio of rising enterprises with sound corporate track record and sustainable business model keeping balance between value and growth strategy.

Value investing is the art of buying stocks which trade at a significant discount to their intrinsic value. Portfolio Manager achieve this by looking for companies on cheap valuation metrics, typically low multiples of their profits or assets, for reasons which are not justified over the longer term.

Value

Growth investing is a style of investment strategy focused on capital appreciation. Portfolio Manager invest in companies that exhibit signs of above-average growth, even if the share price appears expensive in terms of metrics such as price-to-earnings or price-to-book ratios.

Growth

# Why Multicap Strategy



	Bull Period			
	Apr-03	Dec-07	CAGR	Volatility
Sensex	2960	20287	51.0%	22.0%
BSE Mid Cap	952	9789	64.6%	25.0%
BSE Small Cap	893	13348	78.4%	31.6%

	Bear Period			
	Dec-07	Dec-11	CAGR	Volatility
Sensex	20287	15455	-6.6%	31.2%
BSE Mid Cap	9789	5135	-14.9%	40.5%
BSE Small Cap	13348	5550	-19.7%	45.4%

	Current Bull period			
	Dec-11	Dec-24	CAGR	Volatility
Sensex	15455	78139	13.3%	9.0%
BSE Mid Cap	5135	46445	18.4%	12.0%
BSE Small Cap	5550	55181	19.3%	13.5%

- The table shows outperformance of the Mid Cap and Small Cap Index over the Sensex Index during the Bull Period.
- Outperformance of the Mid Cap and small caps happens because of better earnings growth in the bull phase.
- The P/E for Mid cap and Small Caps also expands as earnings growth is superior v/s Sensex earnings growth.
- Identifying the business within attractive valuation compare to their growth is key factor for outperformance.
- Returns delivered from Mid Cap and Small Cap do outperform the Large Cap, however one should keep in mind the risk associated with it as we see the higher volatility in it. Therefore we emphasis on stringent stock selection strategy and create a diversified Multicap portfolio to create alpha over the benchmark.



## Past Analysis

Business Moat /Market Share  
Operating efficiency  
Working Capital Management  
Balance sheet growth  
ROE And ROCE growth etc

## Present Analysis

Current vs Historical  
Valuation, Margins, leverage, Asset Turnover  
Capacity and utilisation  
Capex and Cashflow

4P

## Pedigree

Management Experience and Qualification  
Corporate Governance Practices  
Shareholding patterns

## Potential

Sector Outlook Favourable Macro  
Sufficient capacity  
Outstanding Order Book,  
Multi year Contract, Client Addition,  
Product Pipeline etc

Companies to undergo 4 P Analysis to make it to the Universe

## Allocation



### Business Model either in

- Improving Market Share
- Leadership
- Niche Business Model



### Rising Enterprises

- Stable and Improving Margins
- Improving ROE and ROCE



### Sustainability

- Visibility of Earnings over next 2-3 years
- Predictable business model



### Sound Corporate Track Record

- Management back ground
- Accounting & Corporate policies

## Stock Selection

### Sector opportunity

- Sector potential to grow
- Cyclical / Non Cyclical
- Favoring Policies



### Diversification

- Sectorally well diversified portfolio of 15-20 stocks across Market Capitalization



### Exposure

- Single Stock exposure < 10%
- Single Sector exposure < 30%







**V**

## Valuation Check

A constant check is kept on the valuation of the companies so that any stock whose valuation becomes relatively high, due to any reasons like sentiments or increase in liquidity, is exited before any price correction comes to the stock. We then shift the money to a new stock with a reasonable valuation.

**I**

## Impact of Events

A stock price can be highly affected by an event or series of events, recent examples: COVID crisis, Russia-Ukraine War, Increase in Crude Price, Interest Rates Hike etc. Our team actively tracks these events and makes timely modifications as per the situation's needs to minimize risks & optimize returns.

**E**

## Earnings Visibility Changes

Our fundamental research team scrutinizes the quarterly results of the companies to understand the current & future estimated growth. If we are not satisfied with 2 or 3 quarterly results of the company & don't see growth, we take an exit to move to another stock.

**W**

## Weightage Check of the Holdings

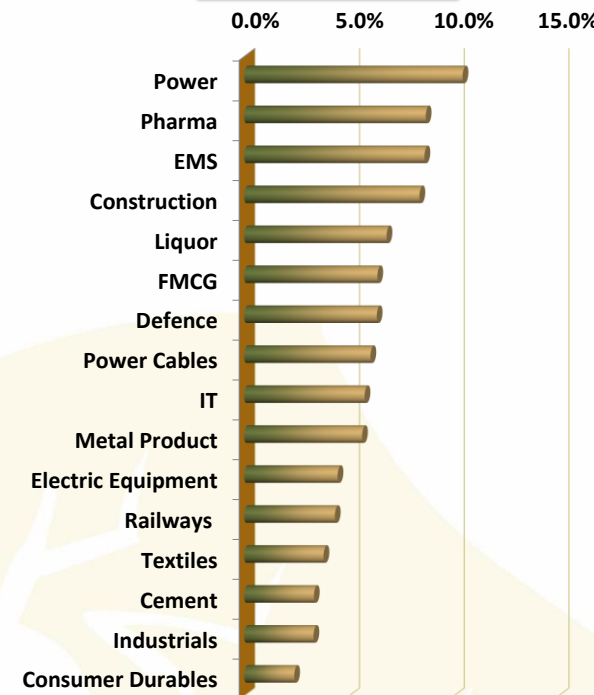
Every stock & sector has been capped to a certain percentage of the total allocation to limit downside due to any uncertainties and also diversify the portfolio. If any stock or sector reaches near to the decided percent of allocation, we book profits and reduce the weightage and invest into any other stock.

# Top Holdings & Market Cap Allocation

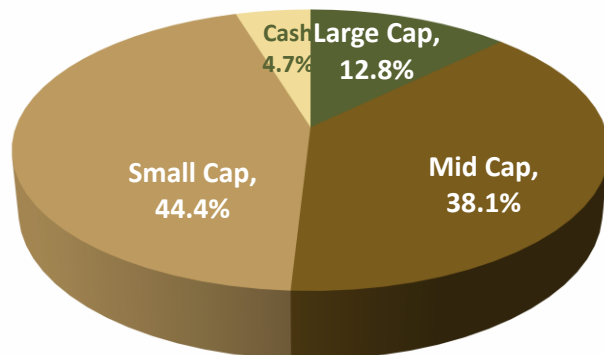


Sr No	Top 10 Holdings	% Holdings
1	PG Electroplast Ltd.	8.6%
2	ITD Cementation India Ltd.	8.4%
3	KEC International Ltd.	6.9%
4	Radico Khaitan Ltd.	6.8%
5	Varun Beverages Ltd.	6.4%
6	Bharat Electronics Ltd.	6.3%
7	KEI Industries Ltd.	6.0%
8	Coforge Ltd.	5.8%
9	Ratnamani Metals & Tubes Ltd.	5.6%
10	Glenmark Life Sciences Ltd.	4.7%

## Sector Allocation



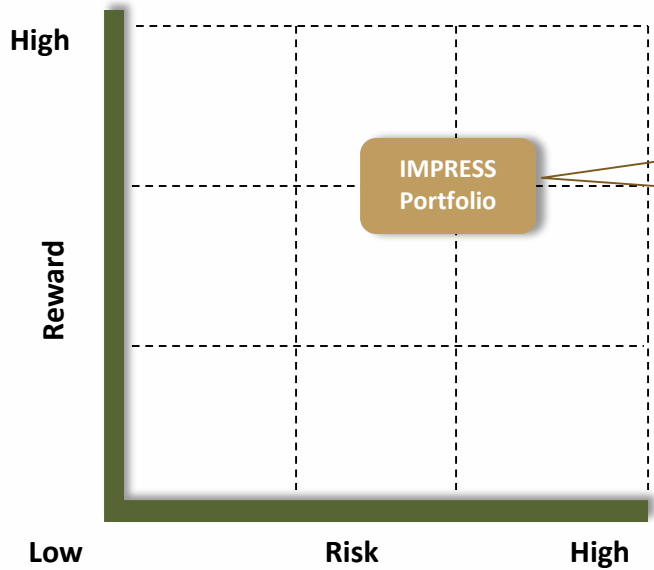
## Market Cap Allocation



The current model client portfolio comprise of 18 stocks. Portfolio is well diversified across market capitalization and sector. We have shown top 10 stocks based on current portfolio. Most of the stocks are given more or less equal and sizable weightage in portfolio.

Data as on 31<sup>st</sup> December 2024

# Portfolio Strategy



Portfolio Positioning  
Medium to High  
Risk & Reward

Overall Portfolio Average  
Estimated\* EPS expected  
to grow at 32% CAGR  
from FY24 to FY26

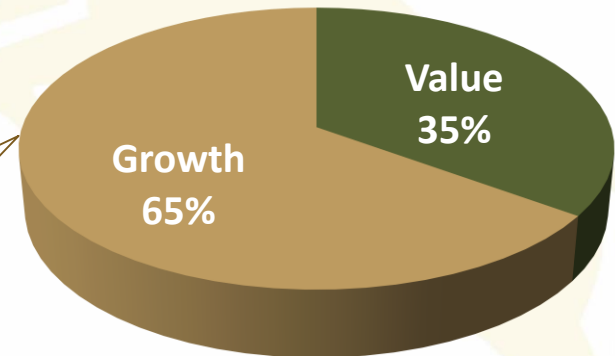
32%  
Avg  
Est.  
EPS  
CAGR

39x  
Fwd  
P/E  
FY26

\*Estimates Data as on 1<sup>st</sup> DEC 2024

Focus on Quality Midcap  
and Small Cap.  
No stock less than  
2000 cr Market Cap

The portfolio is well  
balanced between the  
value and growth style of  
investment



	Avg Market Cap (cr)
Large Cap	215053
Midcap	39250
Small Cap	13894
<b>Overall Portfolio</b>	<b>47881</b>

Data as on 31<sup>st</sup> December 2024

Note: The above stocks are part of model client portfolio.

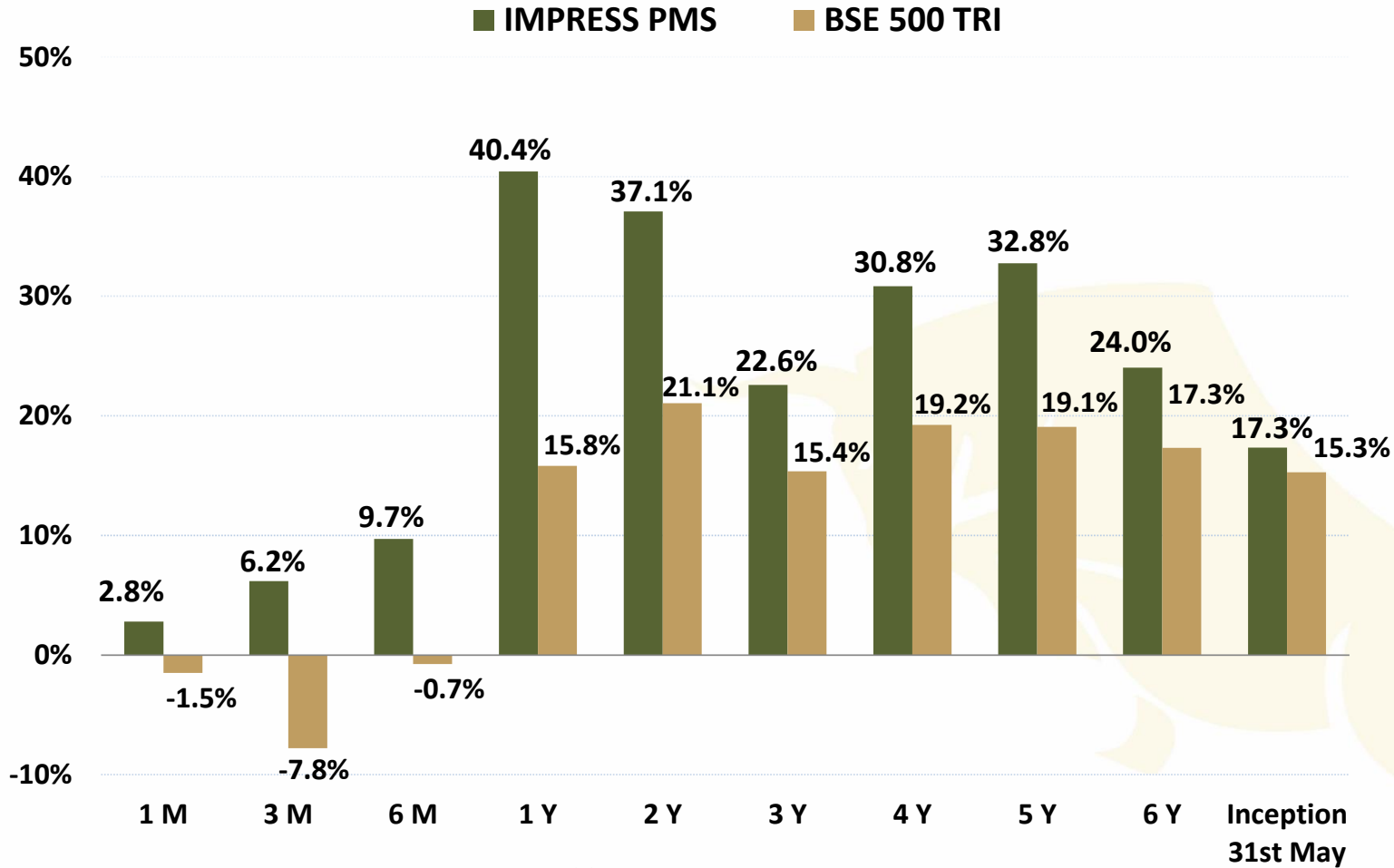
Source : Internal Research, Ace Equity, Bloomberg\* (Estimates)



# Portfolio Performance



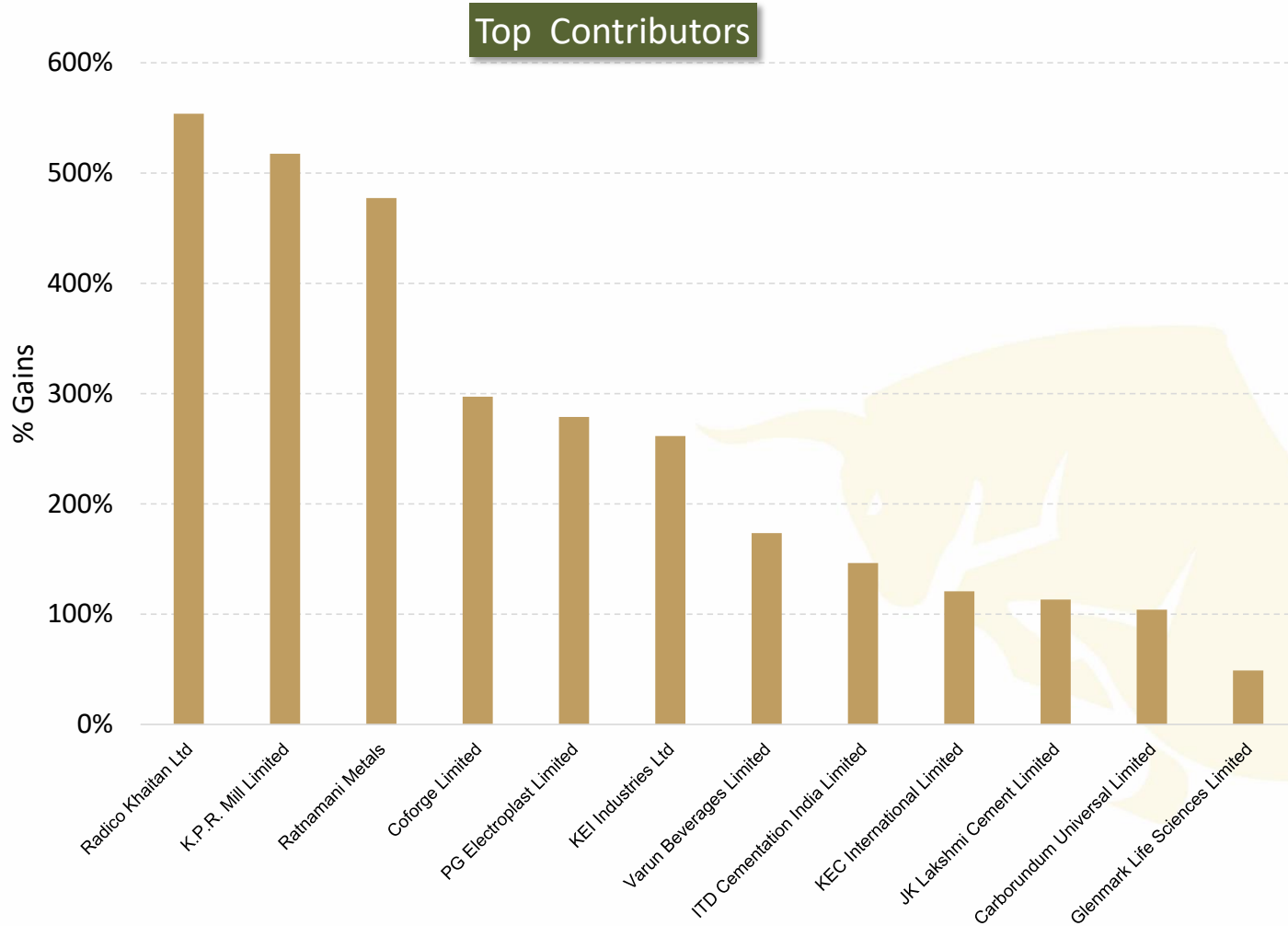
## Performance as on 31st December, 2024



**Note:** - Returns above one year are annualized. Returns net of fees and expenses.

**Disclaimer:** Past Performance is not necessarily indicative of likely future performance. Performance mentioned above are not verified by SEBI. We have shown the performance as Aggregate performance of all clients on TWRR basis.

# Top Contributors



**Disclaimer:** Past Performance is not necessarily indicative of likely future performance.

## Ratios (5 Years Data)

Particulars	BETA	Standard Deviation	Sharpe Ratio	Treynor Ratio	Jenson Alpha	Avg. Portfolio Turnover
<b>IMPRESS PMS</b>	0.89	20.2	1.73	39.1	17.60	45.6%
<b>BSE 500 TRI</b>	1	19	1.03	19.5	NA	NA

**Beta:** It measures how much an investment moves compared to the overall market. Beta of 1 means it moves with the market, less than 1 means less risk and greater than 1 means more risk.

**Standard Deviation:** Shows how much the returns of an investment can go up or down. High ratio means the returns can be very different from the average, making it riskier, while a low standard deviation means the returns are more stable and predictable.

**Sharpe Ratio:** It tells us how much return we get for the risk we take with an investment. A higher Sharpe ratio means better returns for each unit of risk, making it a good measure of how well an investment compensates for its risk.

**Portfolio Turnover:** Also called as churn ratio, is used to reflect the frequency of transactions done in the portfolio. High turnover means high frequency of trading, while low turnover means the investments are mostly held for longer periods.

**Treynor:** It shows how much return an investment gives for the risk taken from market movements. A higher Treynor ratio means better performance for the given risk.

**Jenson Alpha:** It is used to determine if a portfolio is earning proper returns for the level of its risk. Positive value means that the fund manager is outperforming the market with their stock-picking skills.

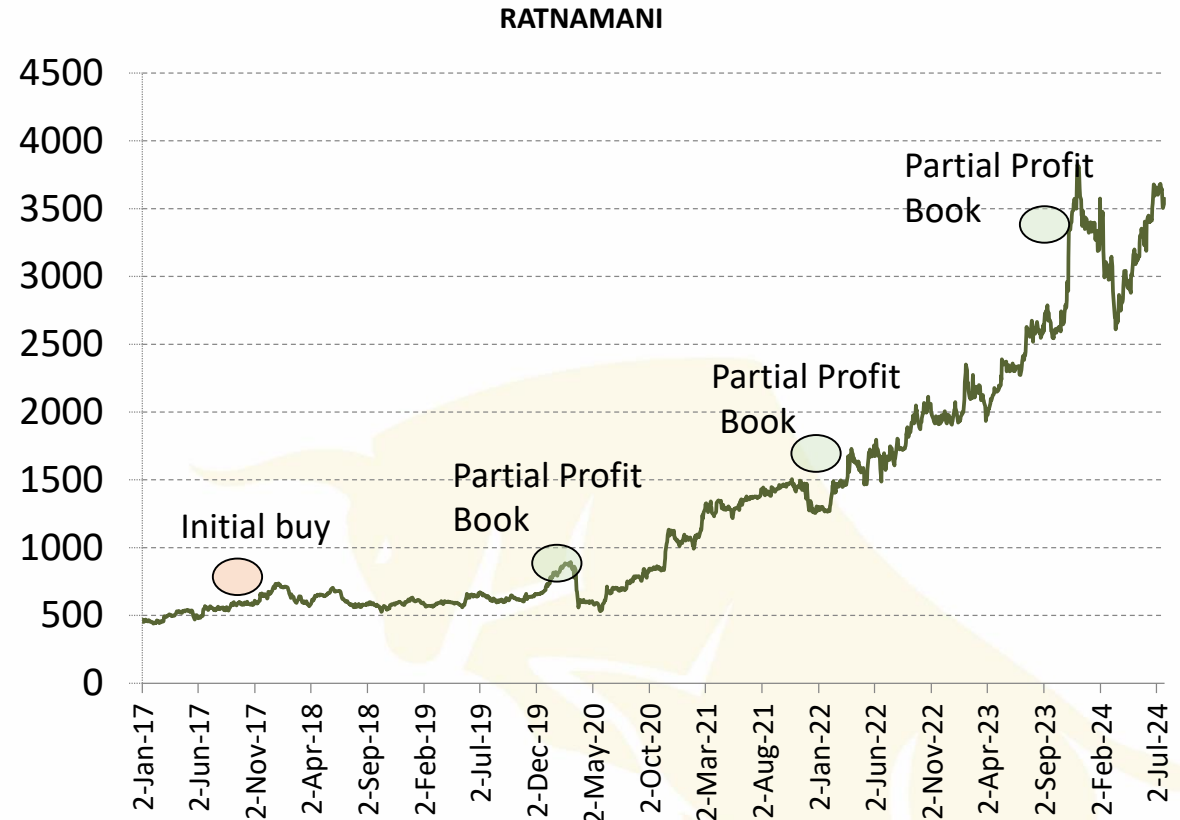
# Success Stories – Ratnamani Metals



Ratnamani Metals & Tubes (RMTL) is a niche player with superior capabilities in the domestic industrial pipes and tube segment.

RMTL manufactures a wide range of stainless steel and carbon steel pipes & tubes, which find application in key end user industries like oil & gas refineries, power, healthcare, etc.

Company has expanded capacity over the years and increased steel pipes & value added products which has higher margins.



# Success Stories – Radico Khaitan

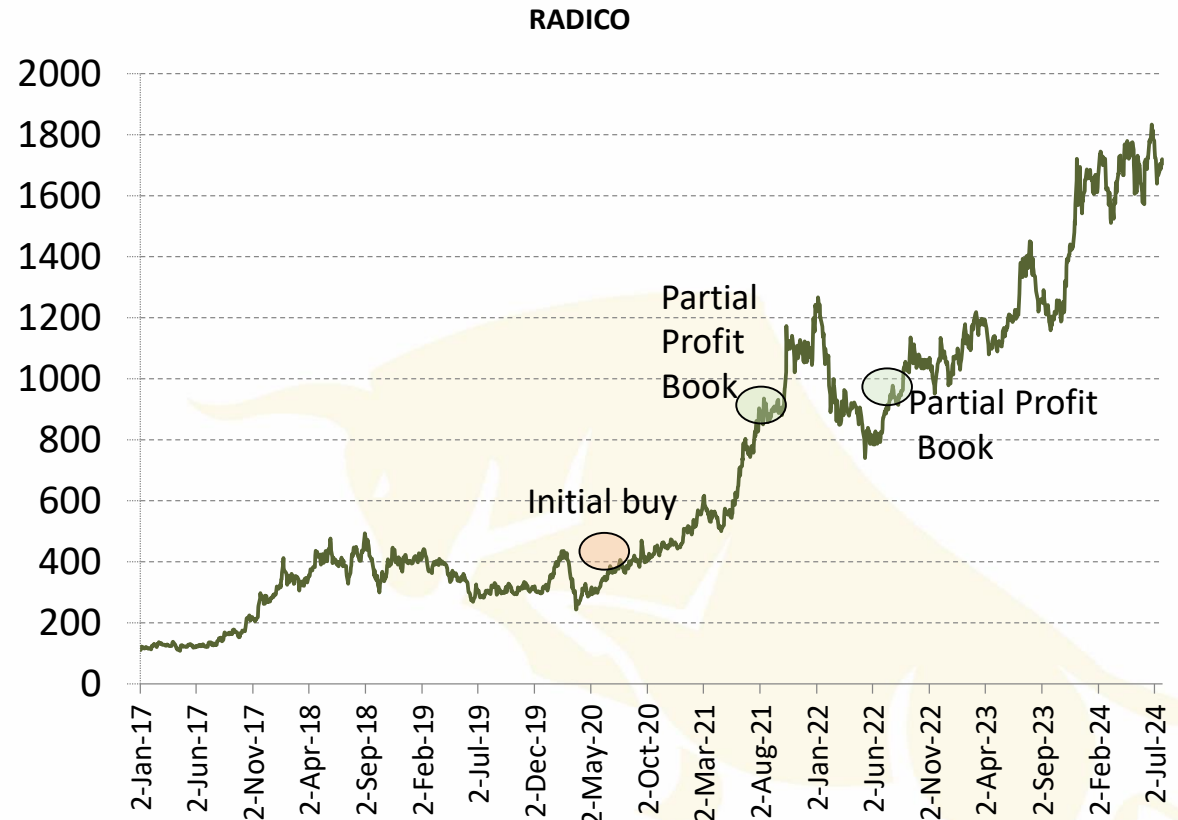


Radico Khaitan Limited (RKL) is one of the oldest and the largest manufacturers of Indian Made Foreign Liquor (IMFL) in India.

RKL is one of the few companies in India to have developed its entire brand portfolio organically, with in-house capabilities.

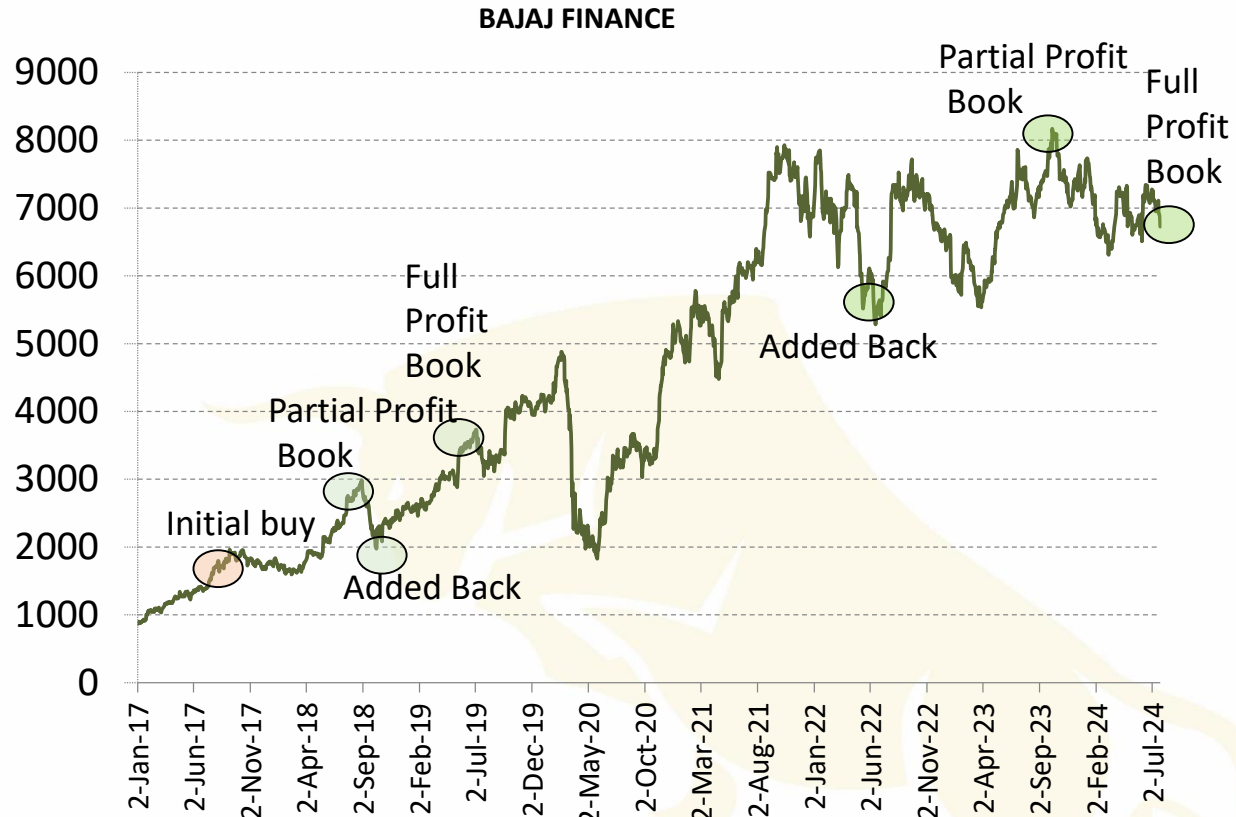
With over 15 brands including four millionaire brands in its portfolio – 8PM Whisky, Magic Moments Vodka, Contessa XXX Rum and Old Admiral Brandy - the rich history of over 75 years continues to set the pace for today and shape the business outlook for tomorrow.

Through premium brand launches, backward integration, better pricing and wider distribution, Radico Khaitan is in a sweet spot.



## Bajaj Finance

- One of the Fastest growing and well diversified NBFC from the Bajaj Group.
- Consistent growth in NII and ROA with NPA under control.
- Focus on retail franchise.
- Always got better valuation than peers.
- Exited full investment as credit growth is likely to be slower and with base reaching so high for NBFC and Capital raising to dilute earning. Which will pull down the premium valuation it command due to high growth.





# Founder & Promoter (Anand Rathi Group)



**Anand Rathi**  
Founder & Chairman

Gold medalist Chartered Accountant having more than four decades of rich and varied experience in corporate management, financial & capital markets and corporate & management consultancy.

Served Aditya Birla Group at very senior positions for more than 25 years before starting his own financial services outfit. Shri Rathi was earlier President of BSE for two terms.

Anand Rathi Group derives its strength and vision from legendary leadership of Shri Anand Rathi and charting growth path in his able guidance.



**Pradeep Gupta**  
Co Founder &  
Vice Chairman

Over twenty years broad based experience in the securities market and key driver of the Retail and Institutional Equities business of the group.

Under his leadership, the Group's Institutional & Retail Business has won great recognition and many accolades. He has played a pivotal role in the Group's network expansion and pan India growth.

His valuable contribution towards professionalizing the management of the Group has won him immense respect from the corporate world.

# Fund Management Team



**Mayur Shah**  
Fund Manager

More than 19 years of rich experience in Investment advisory, Product Development and Portfolio Management.

Working with Anand Rathi since 2007 across Portfolio Management and Private Client Group Equity Advisory.

Started Career with “Kotak Securities Ltd” in 2005 as an Investment Advisor subsequently got into developing Equity products and running the same.

Qualified MBA (Finance) from Mumbai University and Certified Financial Planner.



**Vinod Vaya**

More than 20 years of rich experience in Investment advisory, Portfolio Management and research.

Worked in past with Standard Chartered Securities, Religare Securities, Enam Securities.

PGDBM from Mumbai.

## IMPRESS Portfolio

### Minimum investment Strategy Allocation

Rs. 50 lakhs.

EQUITY

15-20 STOCKS, diversified across sectors. Multicap – Spread between Small, Mid and Large Cap

### Investment Approach

Multicap Portfolio - Balanced between Value and Growth. Most of the companies have adequate analyst coverage. Most of the stocks will be part of core portfolio.

### Risk - Reward & Tenure

Medium to High Risk. Investment tenure 3 year plus

### Type of instruments

Equity & Equity Related Instruments, Fixed Income Instruments, Cash & Cash Equivalent

### Benchmark

BSE 500 TRI

### Benefits

- Dedicated Web Login for client to monitor portfolio.
- A relationship manager to cater to investment needs
- Constant monitoring of the portfolio
- Audited statement at year end for tax filing purpose.

### Support

- Back office customer service desk to address client queries

## Fees & Charges

- AMC fees : 2.5% p.a (Charged Pro-rata at end of each quarter)
- Brokerage : 0.25% on Equity delivery transaction
- Exit Load : 2% - 1<sup>st</sup> Year, 1% - 2<sup>nd</sup> Year, NIL after 2<sup>nd</sup> Year.
- Other Charges : GST, Other charges levied by Exchange, Custodial charges (3 bps) levied by custodian and any other statutory charges.

## Specific Disclaimer

All Investment are subject to Market Risk.

Please read the risk factors before investing in the same.

Past Performance is not necessarily indicative of likely future performance

## Registration Details

PMS registered under : Anand Rathi Advisors Ltd.

PMS Registration Number : INP00000282.

Custodian : Orbis Financial Corporation Ltd.

## Direct On-Boarding

To invest directly into our PMS, please:

Mail: [pmsdesk@rathi.com](mailto:pmsdesk@rathi.com)

Contact: 022-62813851, 52

Or click here:

<https://www.anandrathipms.com/contact-us.php>

## Product Support

Name : Vinod Vaya

Tel : 022 - 6281 3851

Email ID : [vinodvaya@rathi.com](mailto:vinodvaya@rathi.com)

## Back Office Support

Name : Manan Pandya / Sourabh

Tel : 022 - 6281 1556

Email ID : [pmsdesk@rathi.com](mailto:pmsdesk@rathi.com)

## More Information

Visit Our Website: <https://www.anandrathipms.com>

Click here for [Disclosure Document](#)

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# THANK YOU

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ADVISORS LIMITED

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