

IMPRESS-Portfolio  
**Discretionary PMS**

ANANDRATHI



# PORTFOLIO MANAGEMENT

31<sup>st</sup> December 2020

## 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

	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%

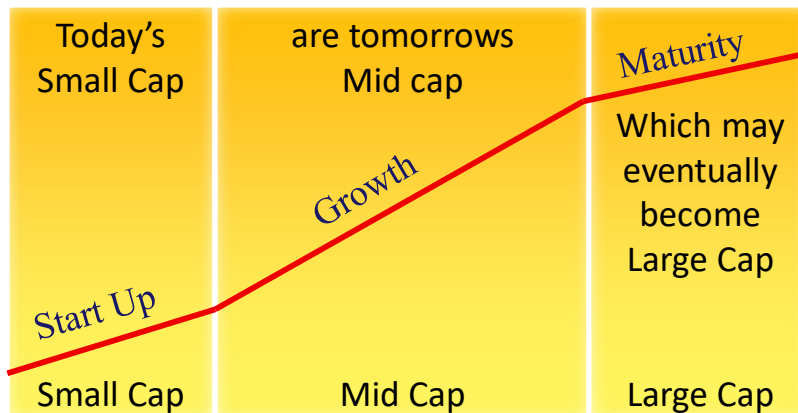
  

	Bear Period			
	Dec-07	Dec-11	CAGR	Volatility
Sensex	20287	15455	-6.6%	31.2%
BSE Mid Cap	9789	5135	-14.9%	40.5%
BSE Small Cap	13348	5550	-19.7%	45.4%

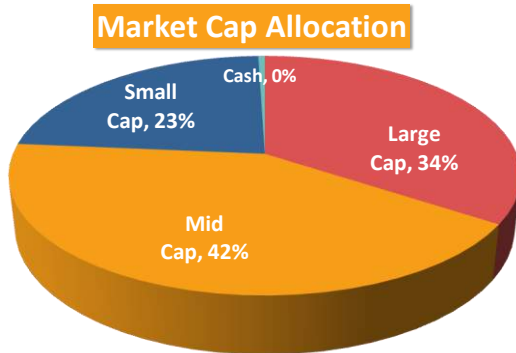
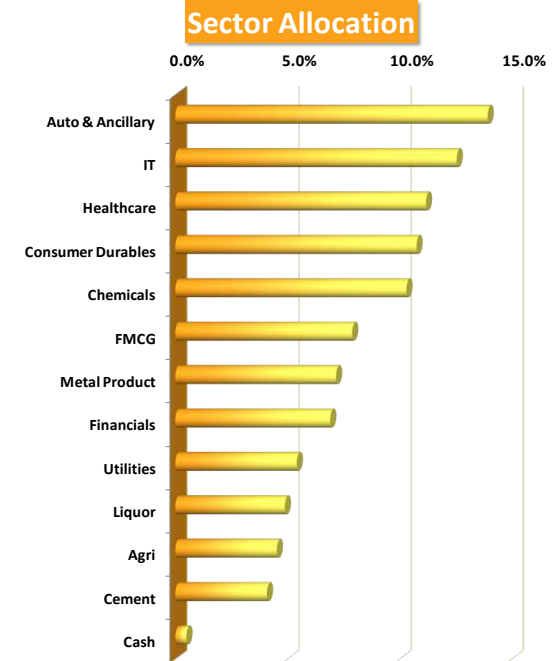
	Current Bull period			
	Dec-11	Dec-20	CAGR	Volatility
Sensex	15455	47751	13.3%	9.0%
BSE Mid Cap	5135	17941	14.9%	12.0%
BSE Small Cap	5550	18098	14.0%	13.5%

- ❖ 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.



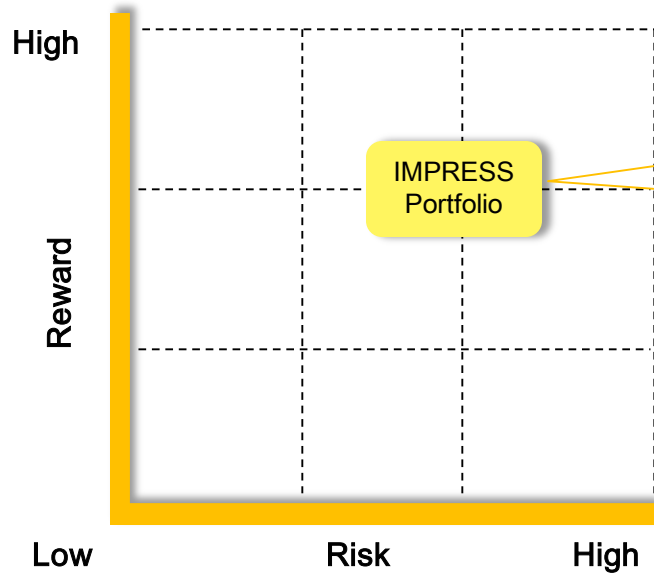


Sr No	Top 10 Holdings	% Holdings
1	Tata Consumer Products Ltd.	7.88%
2	Ratnamani Metals & Tubes Ltd.	7.16%
3	Mindtree Ltd.	6.79%
4	Crompton Greaves Consumer Electricals Ltd.	6.40%
5	Galaxy Surfactants Ltd.	5.97%
6	Coforge Ltd.	5.75%
7	Ceat Ltd.	5.71%
8	Somany Ceramics Ltd.	5.41%
9	Radico Khaitan Ltd.	4.88%
10	TVS Motor Company Ltd.	4.77%



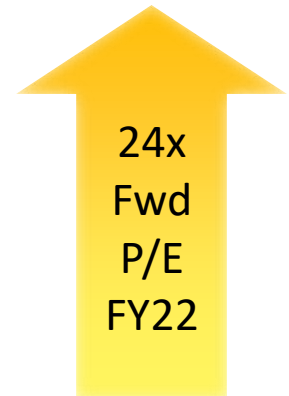
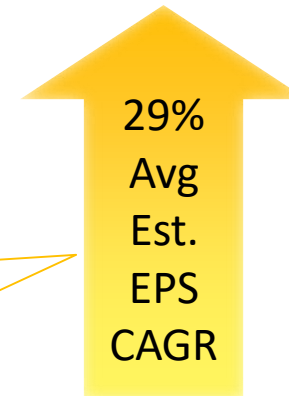
The current model client portfolio comprise of 20 stocks. Portfolio is well diversified across market capitalization and sector. We have shown top 10 stocks based on current portfolio. Most of the stocks are given more or less equal and sizable weightage in portfolio

Data as on 31<sup>st</sup> December 2020



Portfolio Positioning  
Medium to High  
Risk & Reward

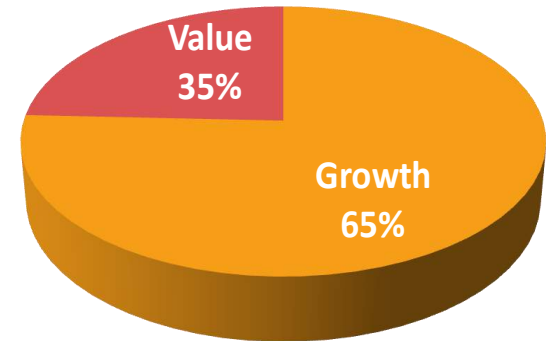
Overall Portfolio  
Average Estimated\*  
EPS expected to grow  
at 29% CAGR from  
FY21 to FY23



\*Estimates Data as on 30<sup>th</sup> Nov 2020

Focus on Quality  
Midcap and Small Cap.  
No stock less than  
1000 cr Market Cap

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



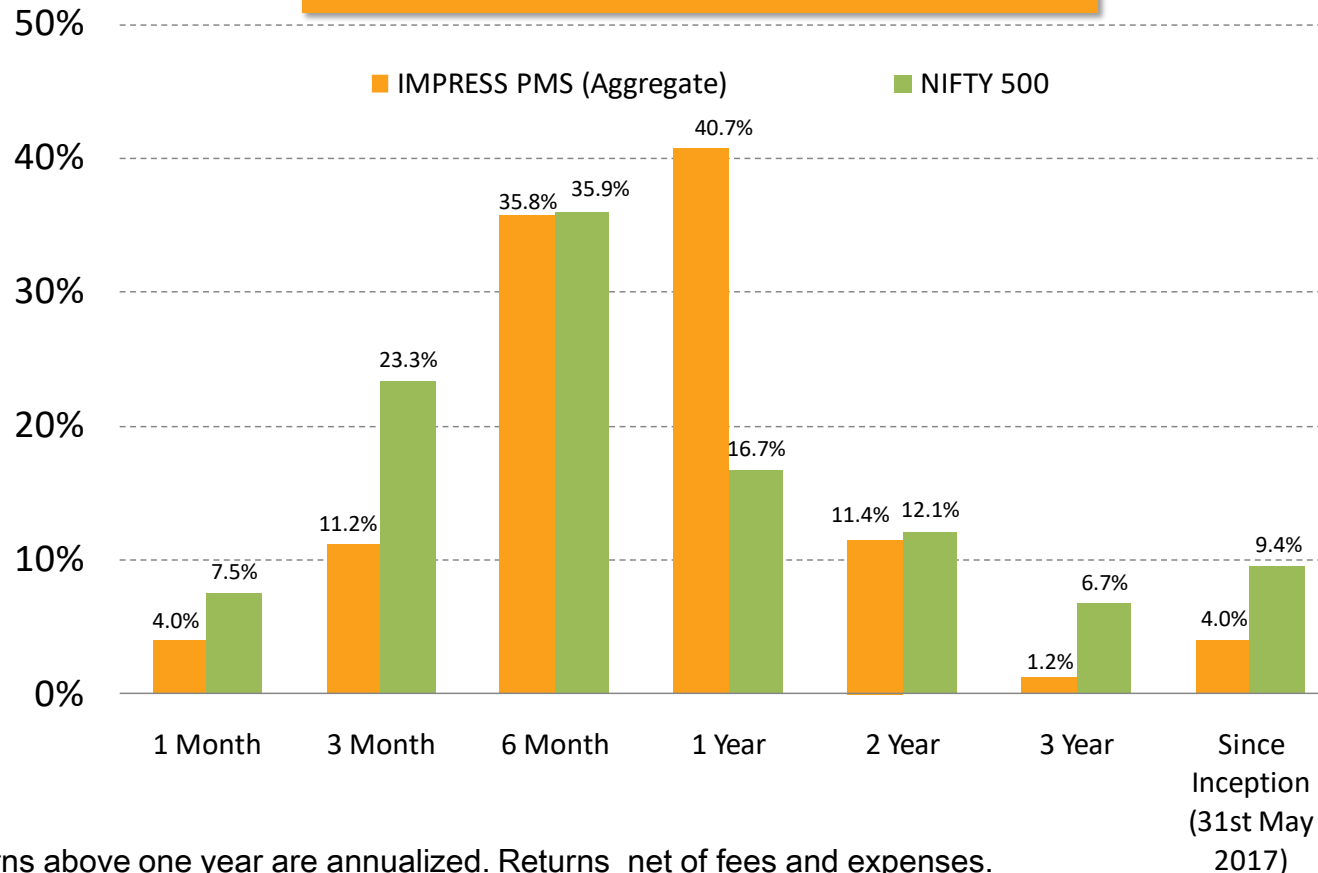
	Avg Market Cap (cr)
Large Cap	47422
Midcap	11121
Small Cap	3026
<b>Overall Portfolio</b>	<b>20574</b>

Data as on 31<sup>st</sup> December 2020

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

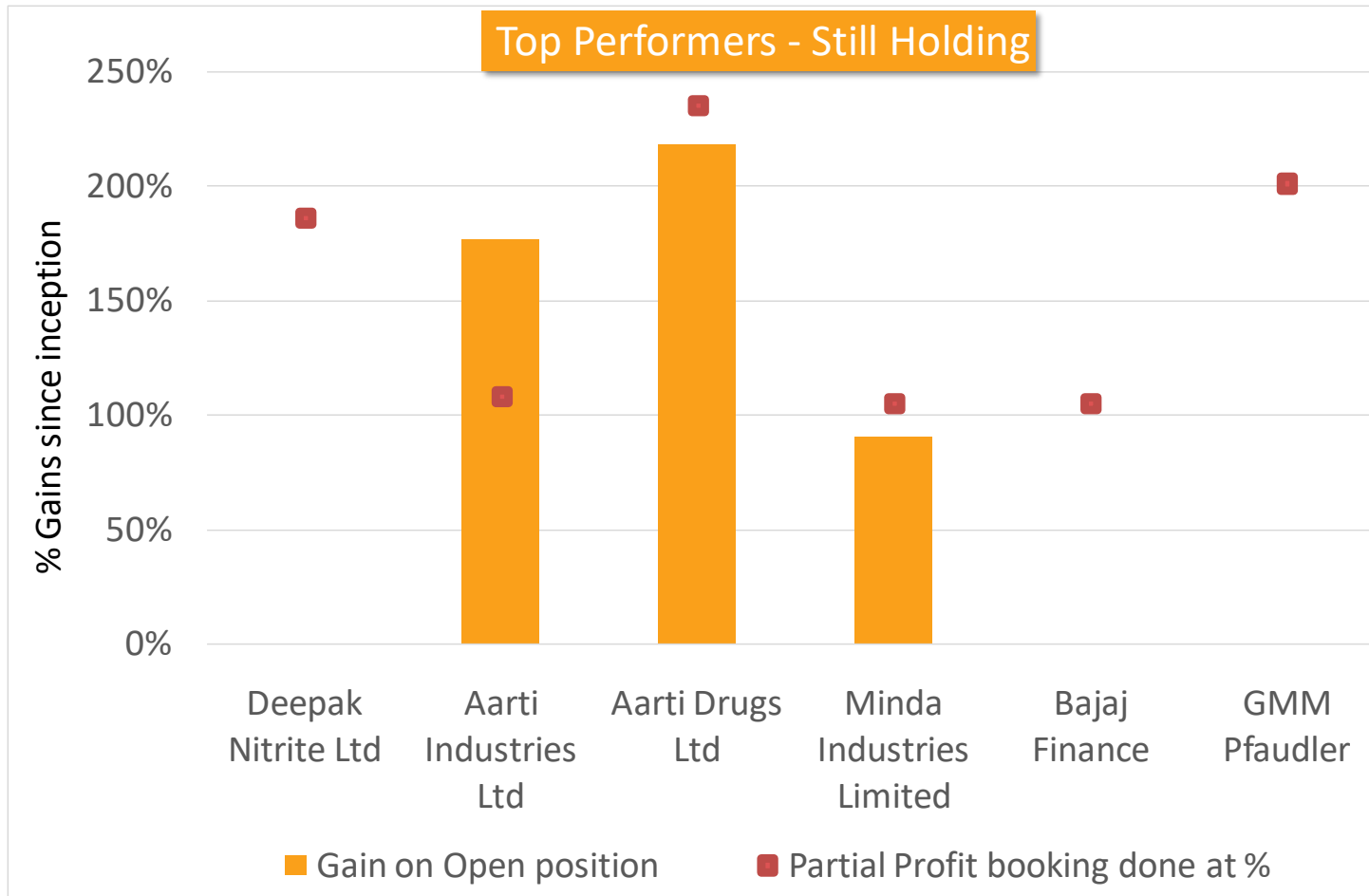
Source : Internal Research, Ace Equity, Bloomberg\* (Estimates)

## Performance as on 31st December 2020



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

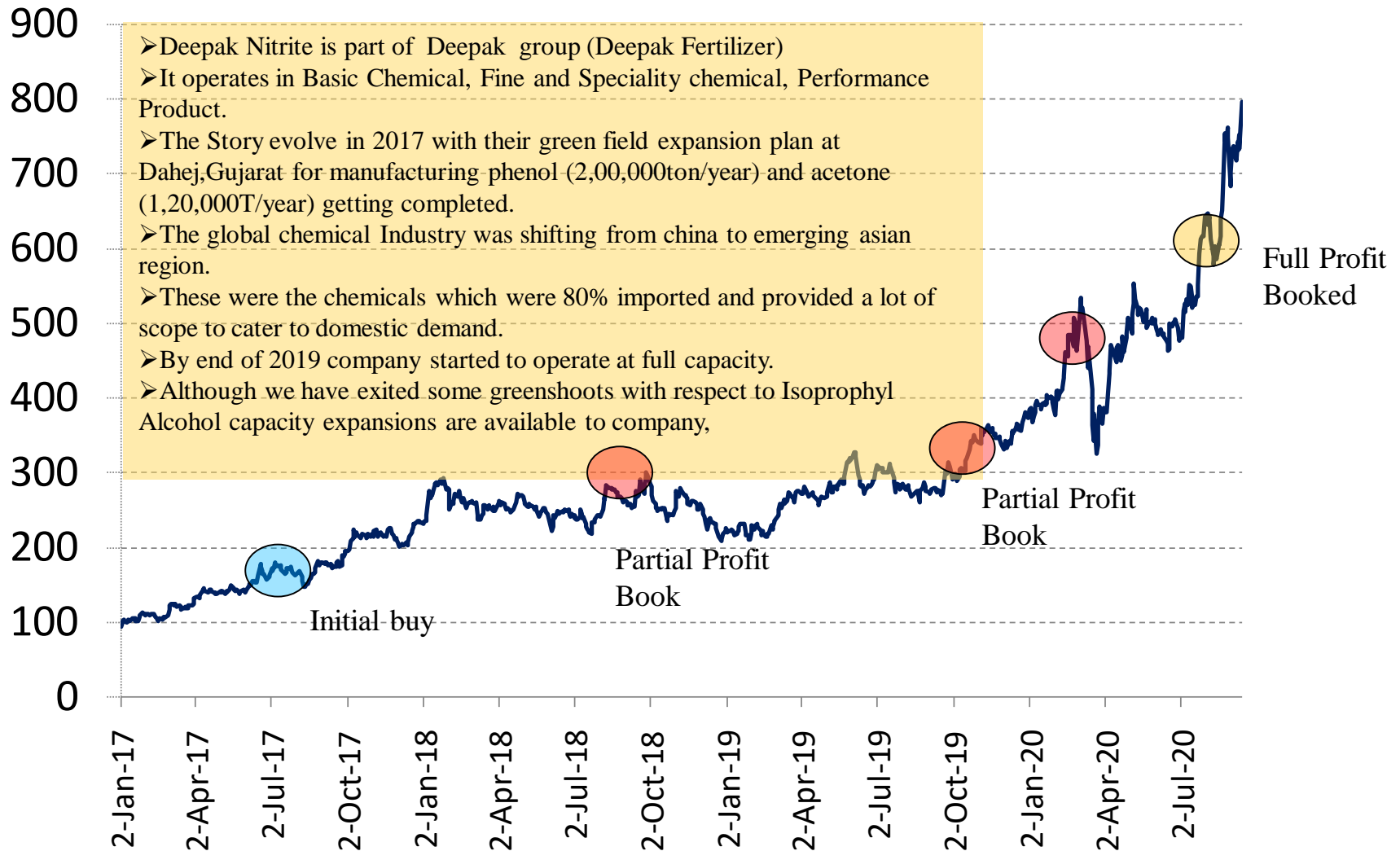
**Disclaimer:** Past Performance is not necessarily indicative of likely future performance. Performance mentioned above are not verified by SEBI. We have shown the performance as Aggregate performance of all clients on TWRR basis.



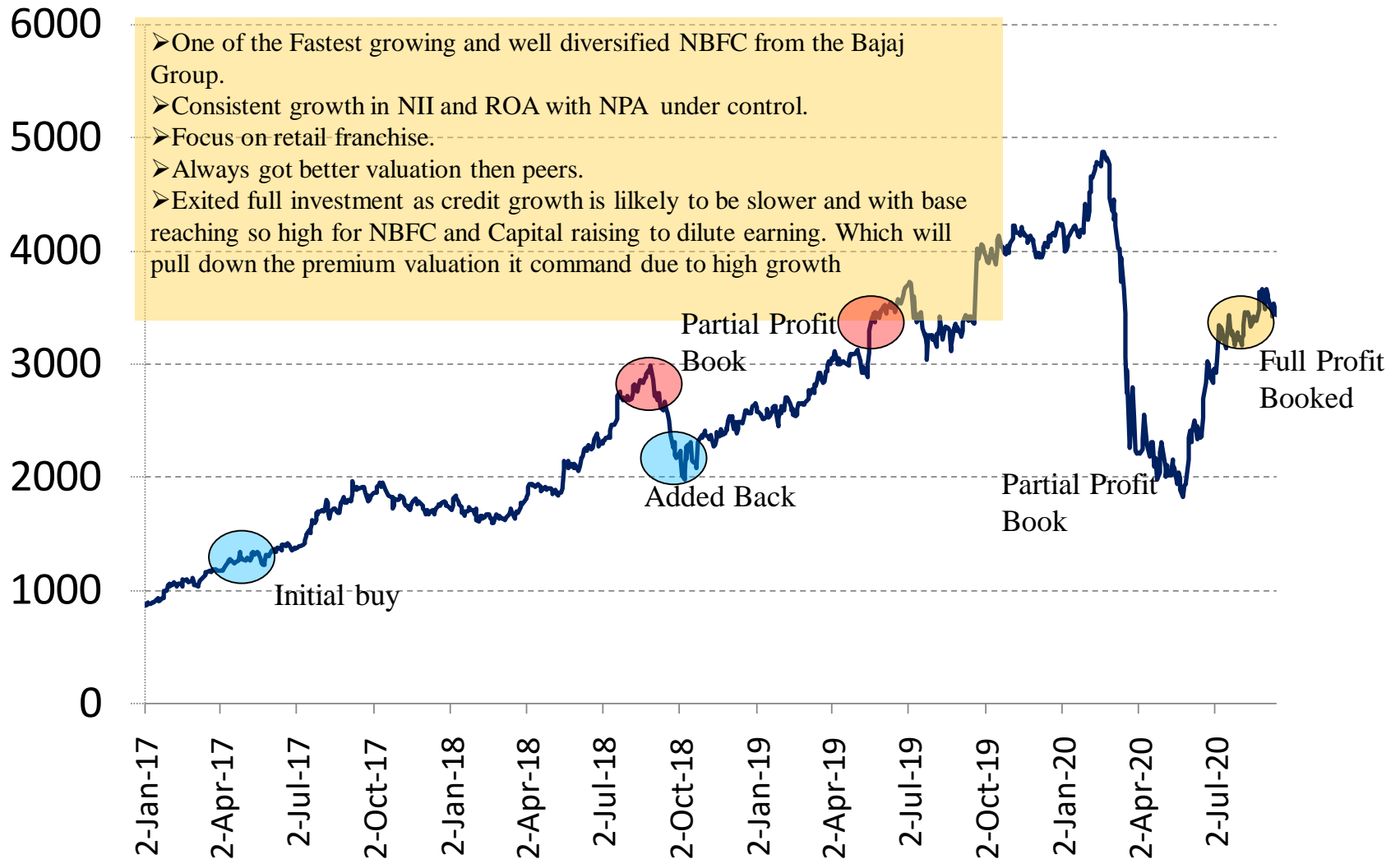
In Bajaj Finance, Deepak Nitrite and GMM full profit has been booked.



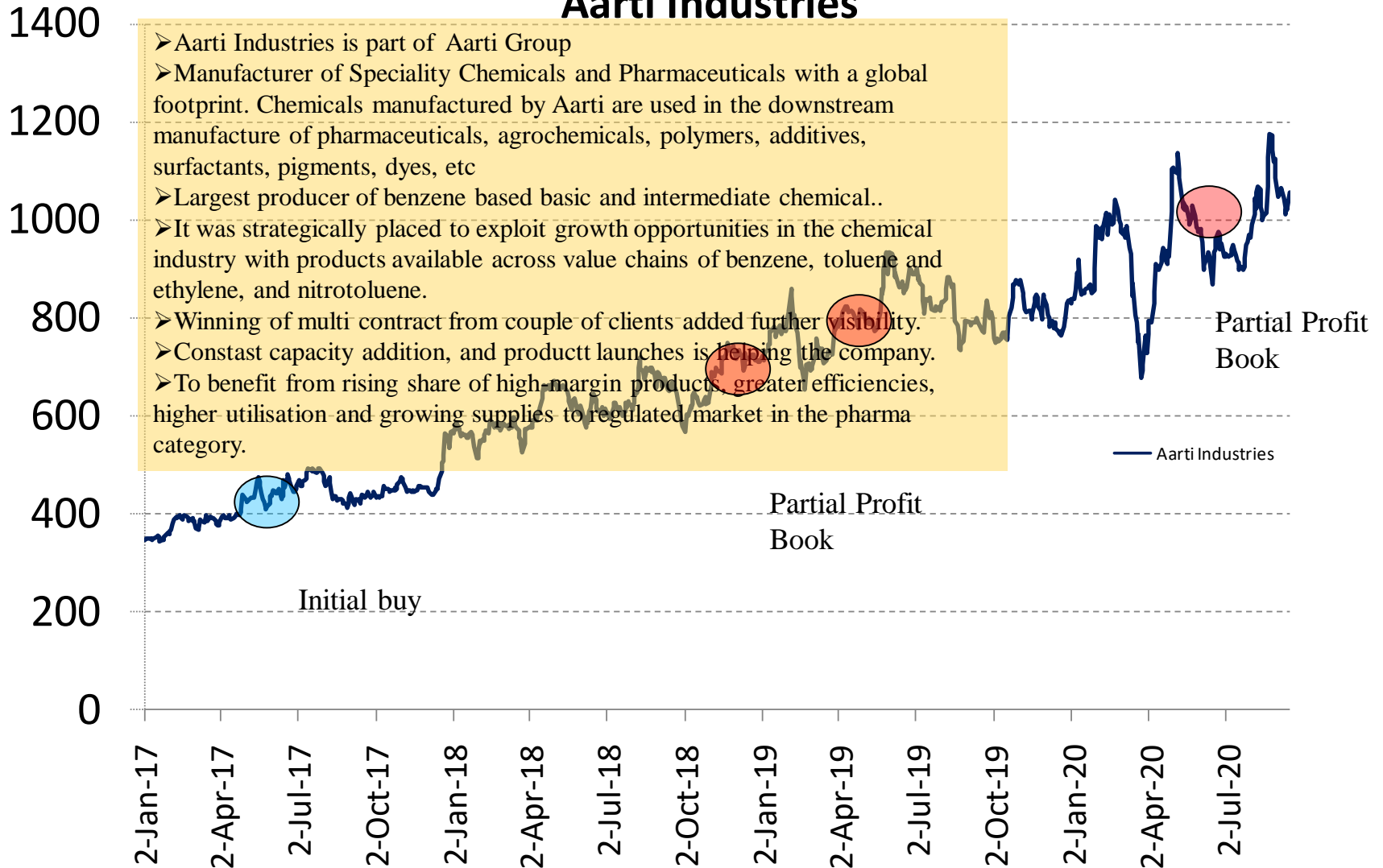
## Deepak Nitrite



**Bajaj Finance**



## Aarti Industries



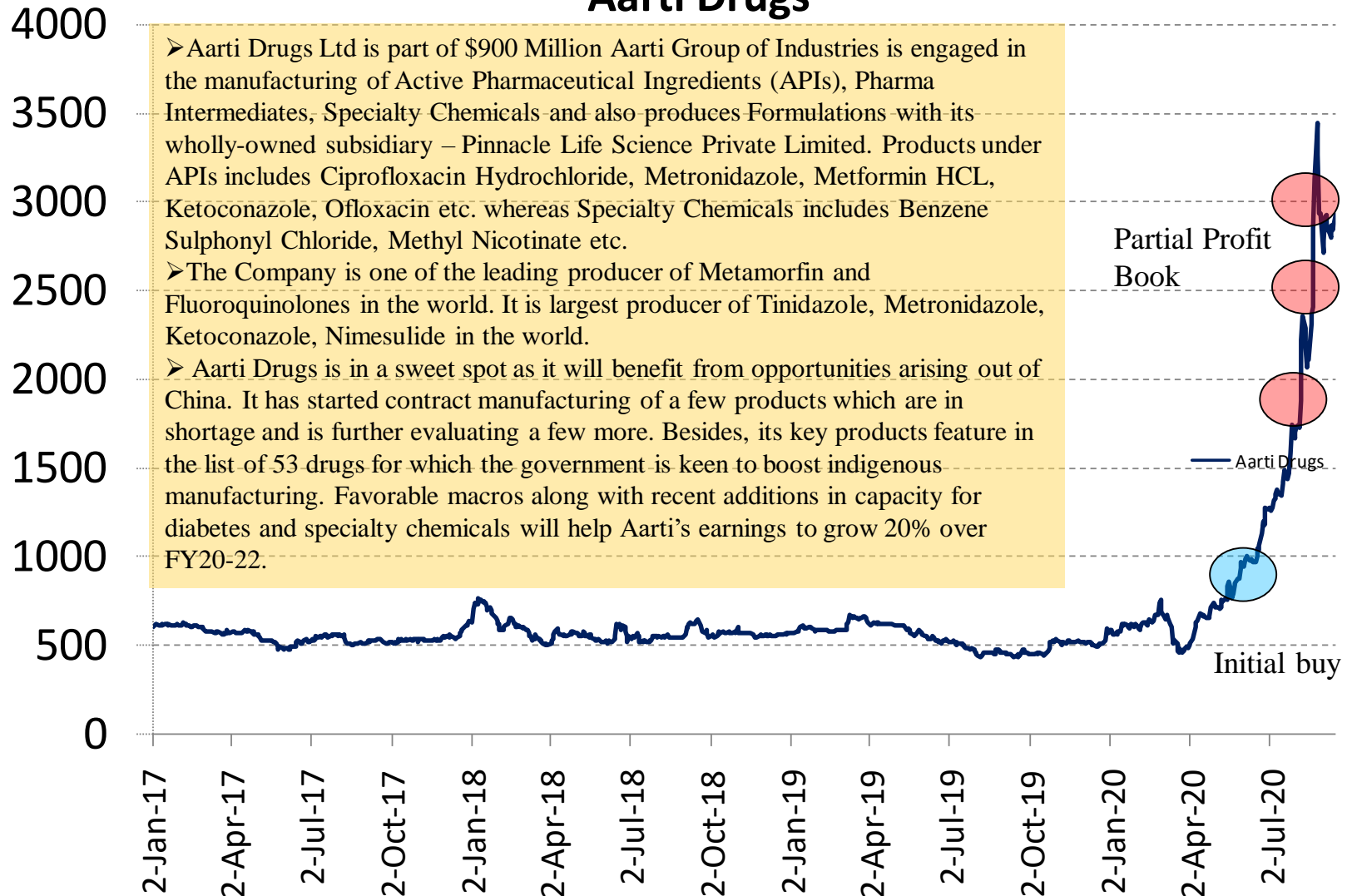
- Aarti Industries is part of Aarti Group
- Manufacturer of Speciality Chemicals and Pharmaceuticals with a global footprint. Chemicals manufactured by Aarti are used in the downstream manufacture of pharmaceuticals, agrochemicals, polymers, additives, surfactants, pigments, dyes, etc
- Largest producer of benzene based basic and intermediate chemical..
- It was strategically placed to exploit growth opportunities in the chemical industry with products available across value chains of benzene, toluene and ethylene, and nitrotoluene.
- Winning of multi contract from couple of clients added further visibility.
- Constast capacity addition, and productt launches is helping the company.
- To benefit from rising share of high-margin products, greater efficiencies, higher utilisation and growing supplies to regulated market in the pharma category.

Partial Profit Book

Partial Profit Book

— Aarti Industries

## Aarti Drugs



➤ Aarti Drugs Ltd is part of \$900 Million Aarti Group of Industries is engaged in the manufacturing of Active Pharmaceutical Ingredients (APIs), Pharma Intermediates, Specialty Chemicals and also produces Formulations with its wholly-owned subsidiary – Pinnacle Life Science Private Limited. Products under APIs includes Ciprofloxacin Hydrochloride, Metronidazole, Metformin HCL, Ketoconazole, Ofloxacin etc. whereas Specialty Chemicals includes Benzene Sulphonyl Chloride, Methyl Nicotinate etc.

➤ The Company is one of the leading producer of Metamorphin and Fluoroquinolones in the world. It is largest producer of Tinidazole, Metronidazole, Ketoconazole, Nimesulide in the world.

➤ Aarti Drugs is in a sweet spot as it will benefit from opportunities arising out of China. It has started contract manufacturing of a few products which are in shortage and is further evaluating a few more. Besides, its key products feature in the list of 53 drugs for which the government is keen to boost indigenous manufacturing. Favorable macros along with recent additions in capacity for diabetes and specialty chemicals will help Aarti's earnings to grow 20% over FY20-22.

Partial Profit Book

Aarti Drugs

Initial buy



**Anand Rathi**

Founder & Chairman

One of the leading financial and investment experts in India and South-east Asia, Mr. Anand Rathi on acquiring a Chartered Accountancy qualification had a long, successful and illustrious career of over 40 years as a core member of the legendary late Mr. Aditya Birla's business group. He was actively involved in all strategic initiatives, being instrumental in shaping the group's cement business, and spearheaded its foray into diverse businesses in manufacturing and services.

In 1999 as the President of BSE, he was the driving force behind the expansion of BOLT, the BSE Online Trading System. He also set up the Trade Guarantee Fund and played a vital role in setting up the Central Depository Services (CDS).

A respected member of the ICAI, he is popular among chartered accountants and finance professionals as also public life in general because of his active philanthropy and Corporate Social Responsibility (CSR) initiatives. These include training and career opportunities to bright young professionals.



**Pradeep Gupta**

Co Founder &  
Vice Chairman

Mr. Gupta brings with him long experience of setting up and running a variety of business enterprises. His first exposure was in the family-owned textiles business, however his passion for financial markets led to his starting Navratan Capital & Securities Pvt. Ltd, later merged with Anand Rathi Financial Services.

At AnandRathi, he has played a pivotal role in laying the foundation of the Institutional Broking and Investment Services arms of the group. His ground-breaking spirit has helped the firm to rapidly expanding its footprint and emerge as a leading capital market player in the country.

He has been instrumental in leading the group to bag prestigious accolades and often appears in the media, sharing his views and insights on macro-economic aspects.

He is also an active member of the Rotary Club of Bombay.



## **Mayur Shah - Fund Manager**

- More than 15 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 15 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

Rs. 50 lakhs.

### Portfolio:

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

### Themes offered

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.

### Type of instruments

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

### Benchmark

NIFTY 500

### 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 : 3% -1<sup>st</sup> Year, 2% - 2<sup>nd</sup> Year, 1% - 3<sup>rd</sup> Year.  
Other Charges: GST, Other charges levied by Exchange, Custodial charges 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 : IL&FS Securities Services Ltd.

### Product Support

**Name** : Vinod Vaya  
**Tel** : 022 – 6281 3851  
**Email ID** : vinodvaya@rathi.com

### Back Office Support

**Name** : Sheetal Kotian / Preeti More  
**Tel** : 022 – 4047 7135 / 7193  
**Email ID** : pmsoperations@rathi.com

**OFFICIAL ADDRESS:** 9<sup>th</sup> Floor, Express Zone - A Wing, Western Express Highway, Malad (East),  
Mumbai - 400097, India

**BOARD LINE:** +91 22 6281 7000



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Investors are also advised to refer to the risk factors associated with Portfolio Management Services and read the Disclosure Document carefully and consult their Financial Advisor before taking decisions of investment.

For detailed risk factor, please refer to Disclosure Document before investing.