

Portfolio PLUS

Discretionary PMS

ANANDRATHI



28th February, 2021

**PORTFOLIO
MANAGEMENT**

Objective

The key objective is to deliver consistent return over the long term, from a portfolio of companies selected on basis of well defined objectives and good corporate track record.



Business Model

- 1) Strong Business Model
- 2) ROE > 20% (Most Cases)



Consistency

- 1) Sales / EBIDTA / PAT growth (3-5 years)
- 2) Stable or improving margins (3-5 years)



Focus on

- 1) Asset Light Models (Most Cases)
- 2) Domestic Play (Most Cases)



Visibility

- 1) Earnings outlook over next 3 years
- 2) Predictable business model

Approach

- 1) Long Term Approach
- 2) Low Churn – Low Expense



Diversification

- 1) Sectorally well diversified max 20 stocks
- 2) 50:50 Large cap and Midcap companies



Exposure

- 1) Single Stock exposure < 10%
- 2) Single Sector exposure < 30%

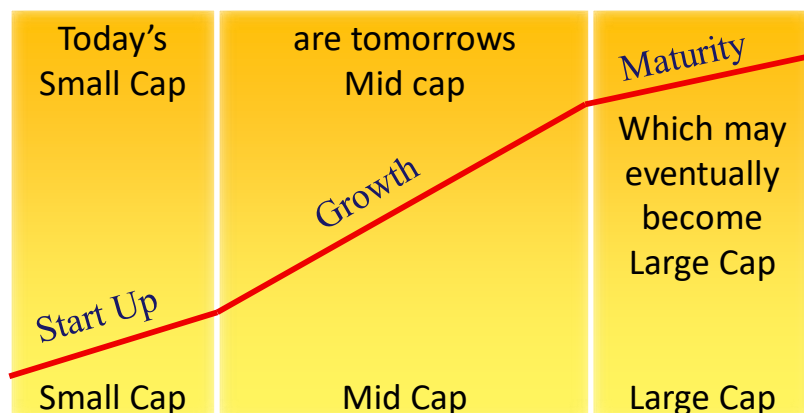


	Bull Period			
	Apr-03	Dec-07	CAGR	Volatility
Sensex	2960	20287	51.0%	22.0%
BSE Mid Cap	952	9789	64.6%	25.0%
BSE Small Cap	893	13348	78.4%	31.6%

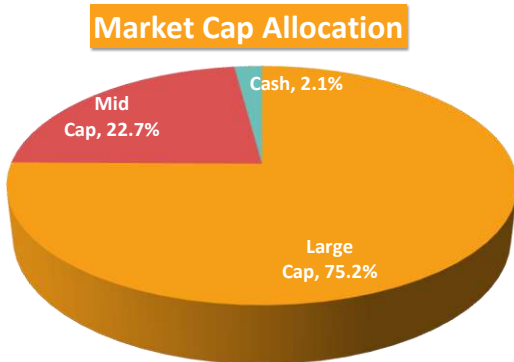
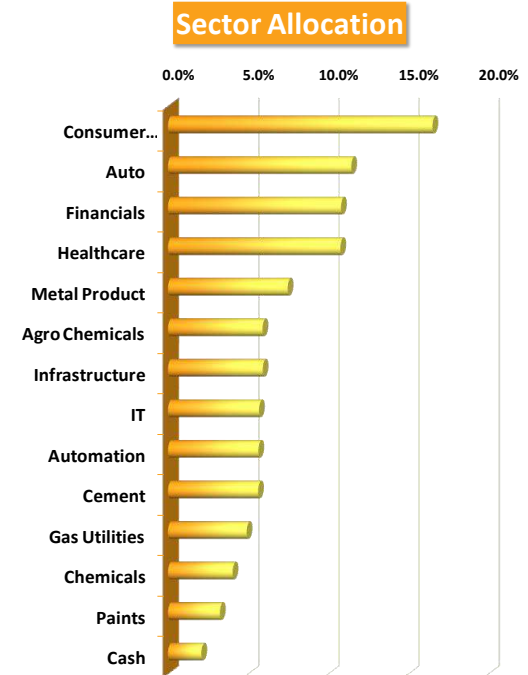
	Bear Period			
	Dec-07	Dec-11	CAGR	Volatility
Sensex	20287	15455	-6.6%	31.2%
BSE Mid Cap	9789	5135	-14.9%	40.5%
BSE Small Cap	13348	5550	-19.7%	45.4%

	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%

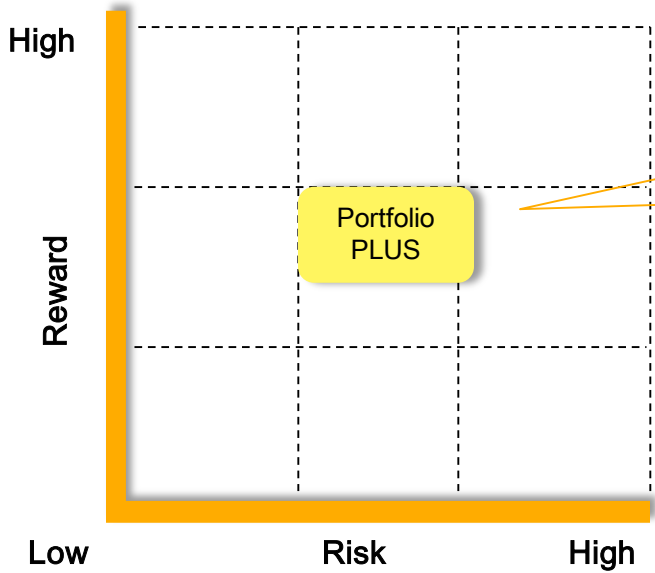
- ❖ The portfolio follows a blended strategy between Large Cap and Mid Caps with more focus on Large Cap for consistency and Mid Caps for Alpha creation. (No Small Cap)
- ❖ The table shows outperformance of the Mid Cap over the Sensex Index during the Bull Period.
- ❖ Outperformance of the Mid Cap happens because of better earnings growth in the bull phase.
- ❖ The P/E for Mid cap also expands as earnings growth is superior v/s Sensex earnings growth.
- ❖ Returns delivered from Mid 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 blended portfolio of Large Cap and Midcap to create alpha over the benchmark.



Sr No	Top 10 Holdings	% Holdings
1	Ratnamani Metals & Tubes Ltd.	7.5%
2	Eicher Motors Ltd.	6.5%
3	Divis Laboratories Ltd.	6.3%
4	Larsen & Toubro Ltd.	5.9%
5	PI Industries Ltd.	5.9%
6	Jubilant FoodWorks Ltd.	5.8%
7	Tata Consultancy Services Ltd.	5.7%
8	Honeywell Automation India Ltd.	5.6%
9	JK Cement Ltd.	5.6%
10	Kajaria Ceramics Ltd.	5.6%



The current model client portfolio comprise of 18 stocks. Portfolio is well diversified between Large cap and Midcap. 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.



Portfolio Positioning
Medium
Risk & Reward

Overall Portfolio
Average Estimated*
EPS expected to grow
at 28% CAGR from
FY21 to FY23

28%
Avg
Est.
EPS
CAGR

35x
Fwd
P/E
FY22

*Estimates Data as on 28th FEB 2021

Focus on Quality Large
cap and Mid Cap
stocks.

Focus on Long term
investment and Low
churn

Average turnover
ratio for last 3 years
is 52%

	Avg Market Cap (cr)
Large Cap	226993
Midcap	16558
Overall Portfolio	121775

Data as on 28th FEB 2021

Note: The above stocks are part of model client portfolio.
Source : Internal Research, Ace Equity, Bloomberg* (Estimates)

"Portfolio Plus" Returns as on 28th February, 2021

	1 Month	3 Month	6 Month	1 Year	Annualised 3 Years	5 Years	Inception 18th Oct 11
PMS Portfolio Plus	4.2%	11.4%	33.1%	15.4%	-0.5%	8.3%	9.1%
NIFTY MIDCAP 100	11.3%	18.0%	39.5%	38.6%	5.8%	15.0%	13.6%

Note: - Returns above one year are annualized. Returns shown are after 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.

Trade Statistics Since Inception (18th Oct 2011 to 28th February 2021) (9 years)

BEST Top 10 Stocks Booked		
Company	Days Held	% Return Booked
Havells India	1102	216.5%
LIC	1280	126.2%
Siemens	513	125.1%
Yes Bank	1116	118.1%
Bajaj Finserve	495	110.3%
UPL Limited	521	105.7%
TVS Motor	527	104.6%
Voltas	695	101.1%
Lupin Lab	552	91.5%
M&M Fin	408	88.2%

BEST 5 Stocks Currently Holding		
Company	Days Held	% Gain
J.K. Cement	648	178%
Ratnamani Metals	648	99%
JUBILANT Foods	648	99%
Larsen & Toubro	2742	98%
Indraprastha Gas	1300	95%

Analysis	
Total Nos of stocks booked	99
Average Return	16%
Average Holding Period (days)	416
Nos of stocks booked in Profit	58
Average Profit Booked	44%
Average Days Held on Profit booked	463
Nos of stocks booked in Loss	41
Average Loss Booked	-24%
Average Days Held on Loss booked	350

Since Inception	
Absolute Returns	126%
Annualised Return	9.5%
Annual Volatility	19%
Sharpe Ratio	0.18
Portfolio Turnover p.a.	%
Turnover Ratio (Avg Last 3 years)	52%

Overall
Winning Ratio

64%

of the stocks are positive
both Booked and Open

Unique Ideas

115

Stock ideas invested into
both Booked and Open



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

Portfolio Plus

Minimum investment

Rs. 50 lakhs.

Portfolio:

15-20 STOCKS, diversified across sectors. Balance between large caps and mid sized companies.

Themes offered

Domestic plays & Asset Light companies.
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 MIDCAP 100 and NIFTY 50

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% -1st Year, 2% - 2nd Year, 1% - 3rd 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.

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PORTFOLIO MANAGEMENT

ANANDRATHI

Thank You



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