

— Celebrating 11 years of —
FOCUS AND DISCIPLINE



November 2014



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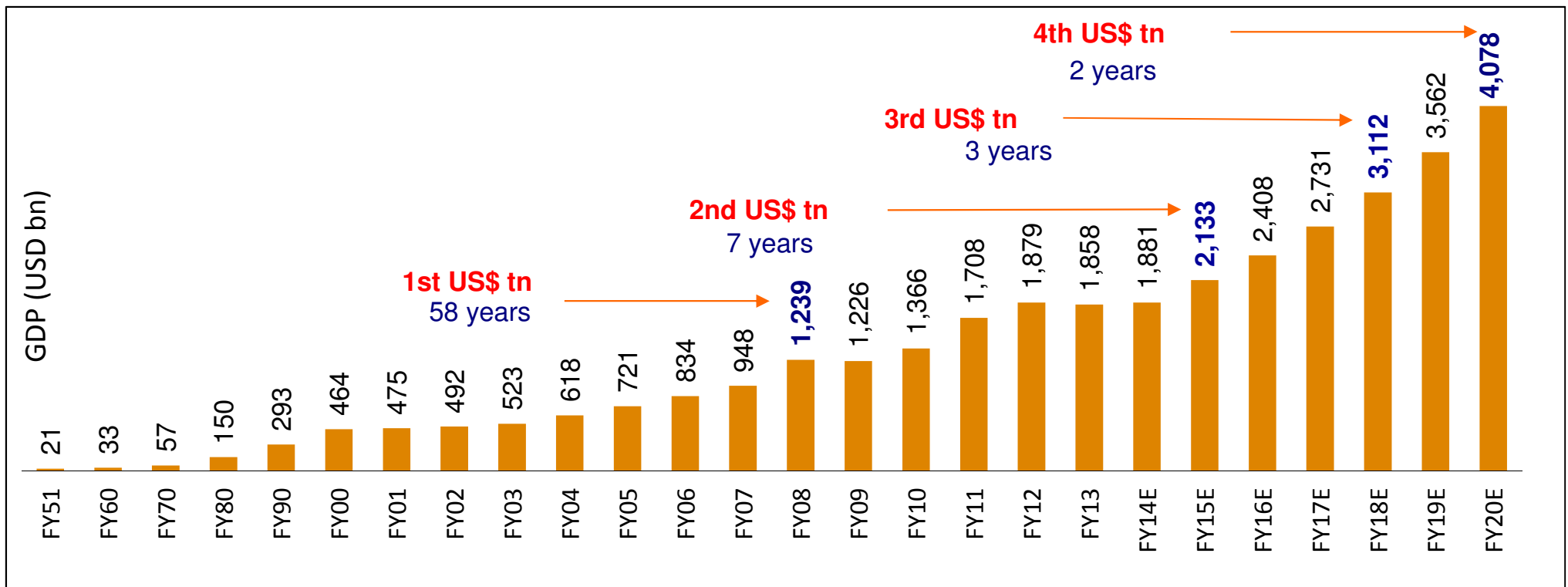
- Why India ?
 - India's Next trillion Dollar Era
 - New Cycle of Earnings Growth
 - Current Valuations below Decadal Average

- Why MOAMC- PMS?

- Why Value ?

India's Next Trillion Dollar Era

- It took almost 60 years for the first US\$ 1 trillion of GDP, today India is 10th largest economy in world
- It is expected to take only 7 years for US\$2 trillion

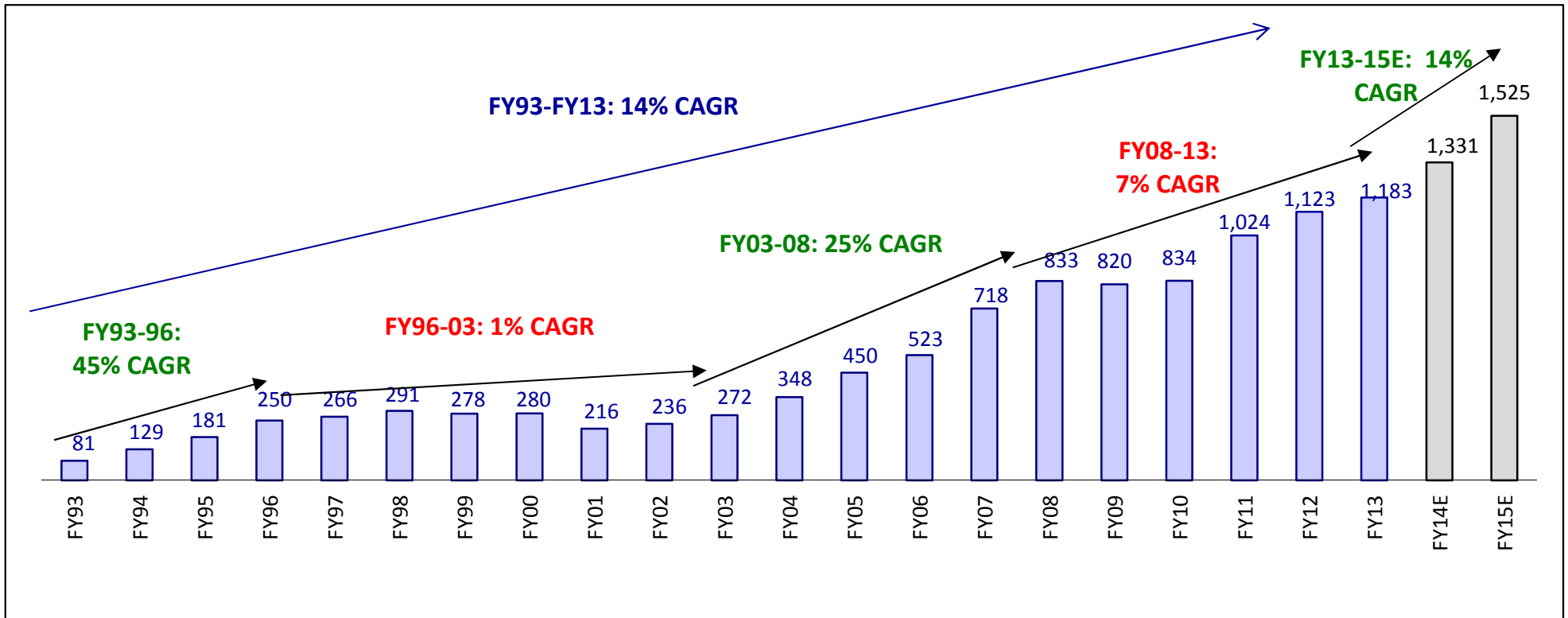


Above forward-looking graphs & statements are based on external current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results.

Source: Motilal Oswal Securities Ltd, as on 31st March 2014

New Cycle of Earnings Growth

The chart below indicates the S&P Sensex expected Earnings Per Share (EPS) growth from FY13 –FY15E.

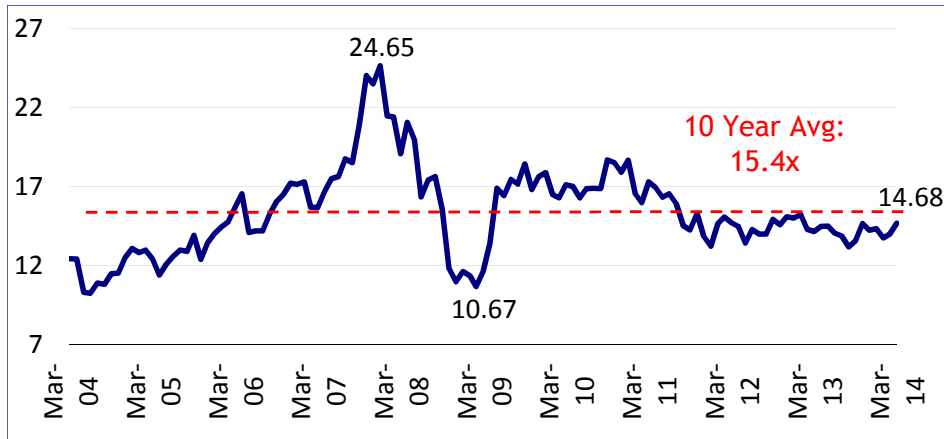


Above forward-looking graphs & statements are based on external current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results. Past performance may or may not be sustained in future.

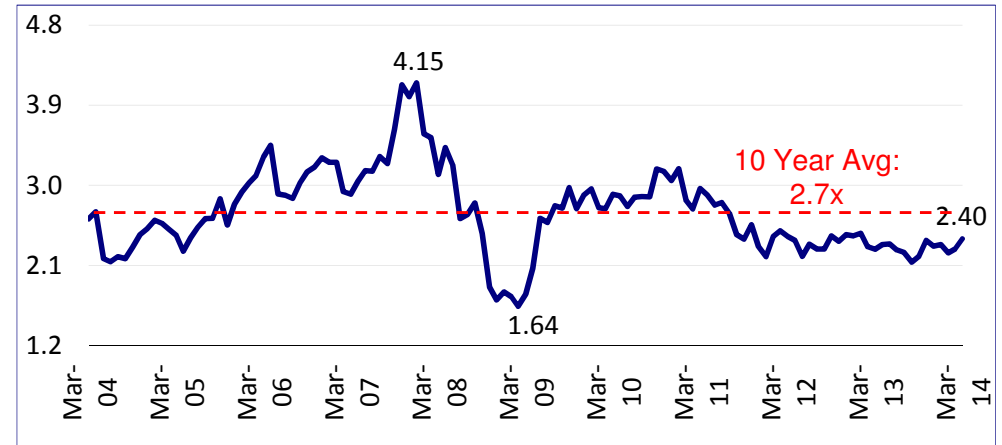
Source: Motilal Oswal Securities Ltd, as on 31st March, 2014

Current Valuations Below Decadal Average

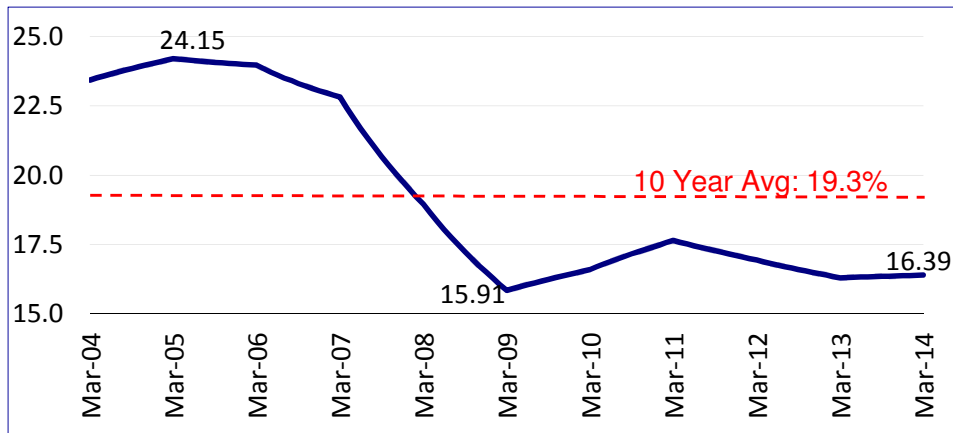
SENSEX P/E (x)



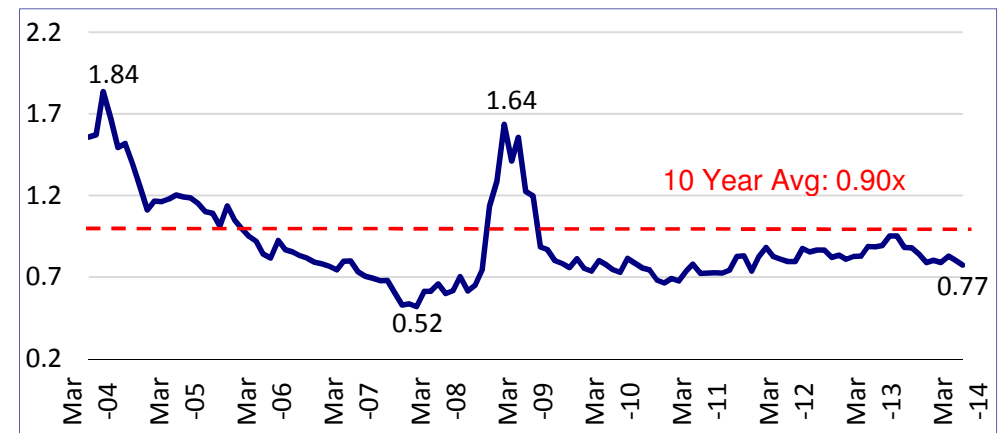
SENSEX P/B (x)



SENSEX ROE (%)



SENSEX EARNINGS YIELD Vs BOND YIELD (%)



Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Source: Motilal Oswal Securities Ltd, as on 31st March, 2014

- Amongst India's one of the leading PMS Service Providers, with Assets under Management of approx Rs. 2135 Crores.
- Our Flagship "Value Strategy" has outperformed the benchmark across market cycles over a 11 year period.
- MOAMC - PMS has one of the largest active accounts (more than 4,170) on PMS Platform.
- Value Strategy's performance is rated by internationally reputed agency Morningstar every quarter.
- MOAMC - PMS has active clients in 138 different cities right from Agra to Vijayawada ; a testimony of strong acceptance of our PMS across the length & breadth of the country.

Data as on 31st October 2014

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➤ Value Investing

- Wealth Creator- Value Investing
- Buy & Hold Philosophy
- Value Philosophy
- Rigorous Investment Process

➤ Value Strategy

➤ Consistent Performance



Our investment philosophy – ‘Buy Right: Sit Tight’

A philosophy distilled from over 25 years of wealth creation expertise of Motilal Oswal Securities Ltd.

Buy Right

Q-G-L-P approach to buying right stocks

Quality : Quality of business and management

Growth : Growth in earnings and sustained RoE

Longevity : Longevity of the competitive advantage /economic moat of the business

Price : Buying a good business for a fair price rather than buying a fair business for a good price.

Sit Tight

Focus and Discipline

Buy and Hold: We are strictly buy and hold investors and believe that picking the right business needs skill and holding onto these business to enable our investors to benefit from the entire growth cycle, needs even more skill.

Focus: Our portfolios are high conviction portfolios with 20 to 25 stocks being our ideal number. We believe in adequate diversification but over-diversification results in diluting returns for our investors and adding market risk.

Our investment philosophy – ‘Buy Right: Sit Tight’

Why “BUY RIGHT: SIT TIGHT” is significant?

- Real wealth is created by riding out bulk of the growth curve of quality companies and not by trading in and out in response to buy, sell and hold recommendations.
- This philosophy enables investor and manager alike to keep focus on the businesses they are holding rather than get distracted by movements in share prices.
- An approach of buying high quality stocks and holding them for a long term wealth creation motive, results in drastic reduction of costs for the end investor.
- While BUY RIGHT is largely the role of the portfolio manager, SIT TIGHT calls for involvement from the portfolio manager as well as investor. This brings in greater accountability from the manager and at the same time calls for better involvement and understanding from investor resulting in better education for the latter.
- Long term multiplication of wealth is obtained only by holding on to the winners and deserting the losers.

- A business is prudently picked for investment after a thorough study of its underlying hidden long-term potential.
- Value Investment involves determining the Intrinsic value of a stock, and investing in it if the difference between the value and the stock price provides a sufficient Margin of Safety.
- "We don't get paid for activity, just for being right. As to how long we'll wait, we'll wait indefinitely." - Warren Buffett

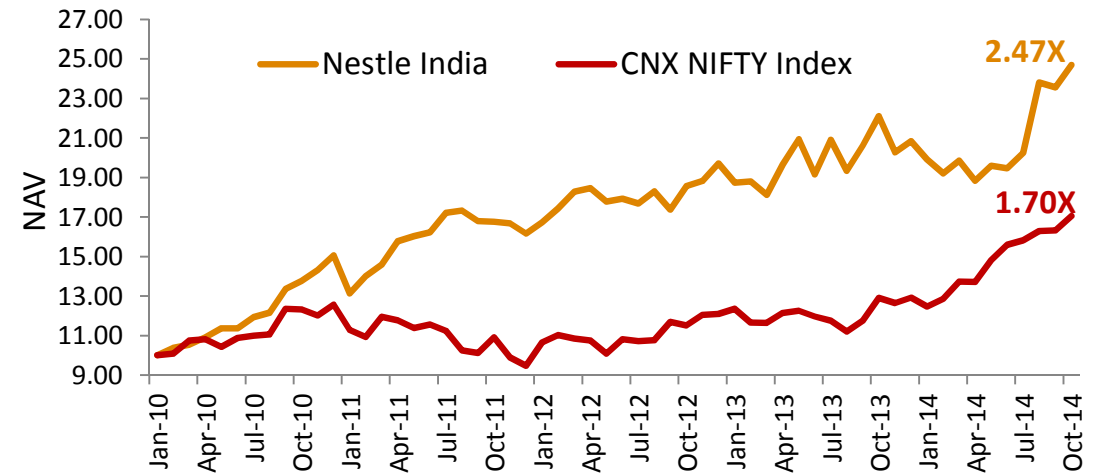
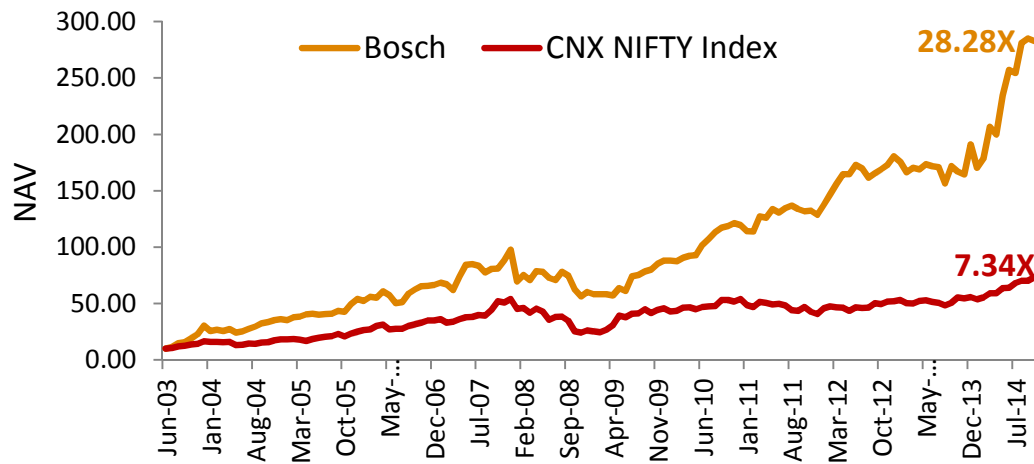
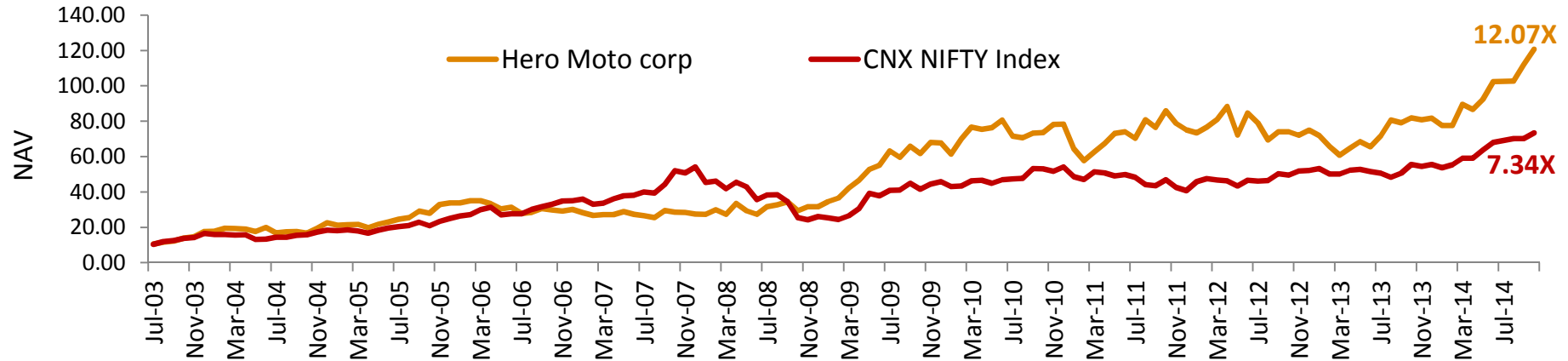
Stock	Purchase Date	Adjusted Purchase Price	Current Market Price	% Growth
			31-Oct-14	
Bosch Limited	Jun-03	497.00	14900.75	2898%
State Bank Of India	Jun-03	360.00	2702.8	651%
HDFC Ltd	Jan-06	241.80	1105.9	357%
Hdfc Bank	Jul-08	201.00	911.85	354%
Hero MotoCorp Ltd	Jun-03	253.65	3064.25	1108%

Please Note: The given stocks are part of portfolio of a model client of Value Strategy as on 31st October 2014. The stocks forming part of the existing portfolio under Value Strategy may or may not be bought for new client. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Name of the PMS Strategy does not in any manner indicate its future prospects and returns. The Companies mentioned above is only for the purpose of explaining the concept and should not be construed as recommendations from MOAMC.

Source: MOAMC

Buy & Hold Approach

BUY & HOLD strategy, leading to very low churn, lower costs and enhanced returns



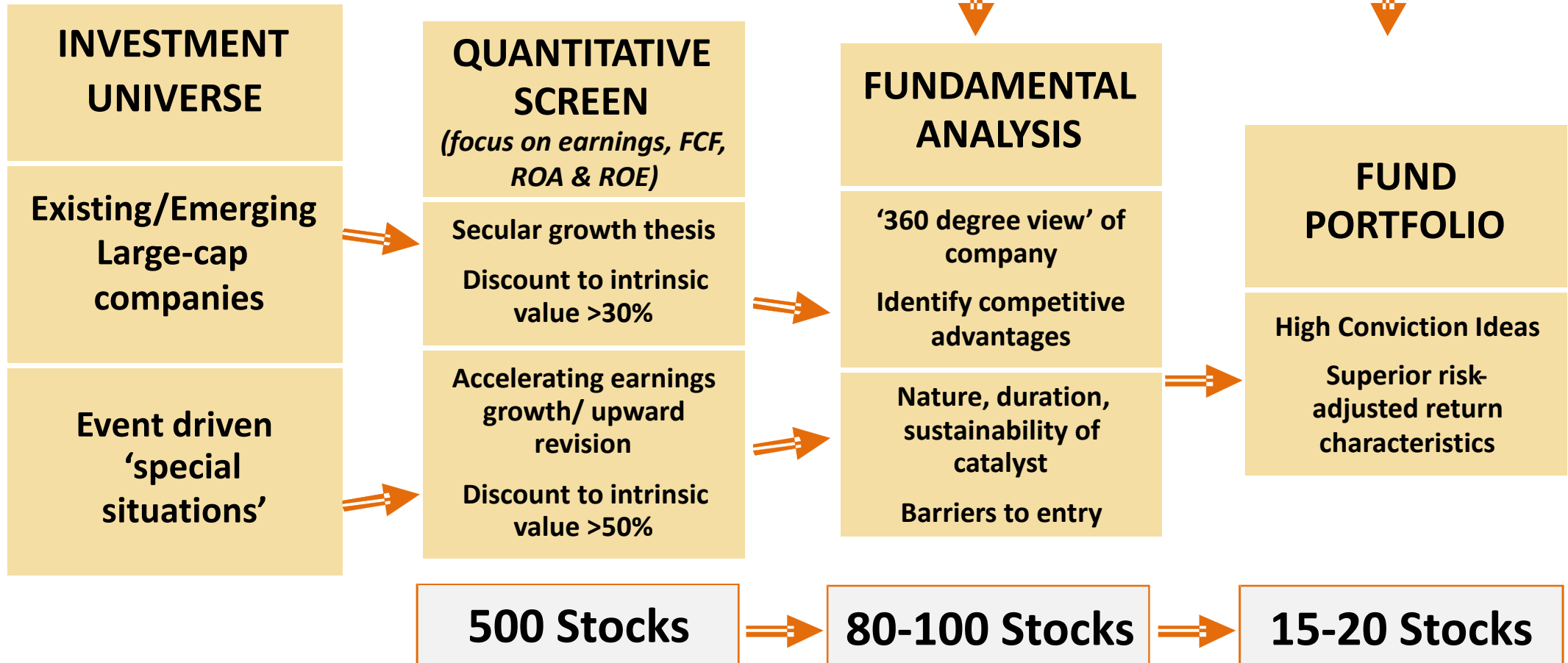
For relative comparison, base has been taken as 10 for all the above charts. Based on the closing market prices of 31st October 2014.

Please Note: The given stocks are part of portfolio of a model client of Value Strategy as on 31st October 2014. The stocks forming part of the existing portfolio under Value Strategy may or may not be bought for new client. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Name of the PMS Strategy does not in any manner indicate its future prospects and returns. The Companies mentioned above is only for the purpose of explaining the concept and should not be construed as recommendations from MOAMC.

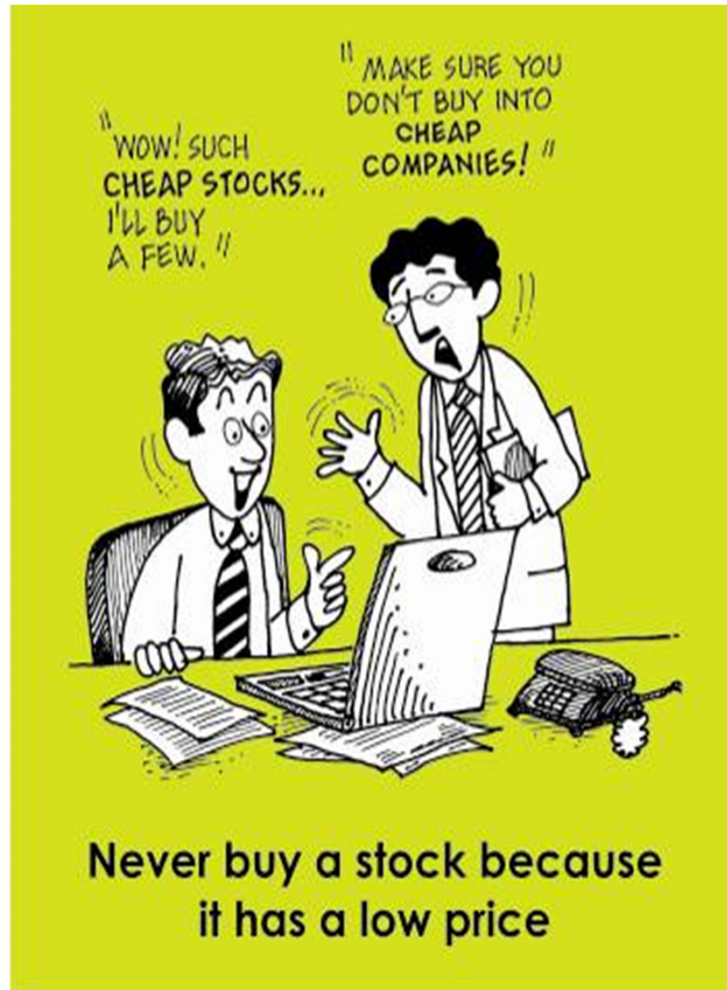
Source: MOAMC,NSE

- **Focus on Return on Net Worth**
 - Companies which are likely to earn 20-25 % on its net worth going forward.
- **Margin of safety**
 - To purchase a piece of great business at a fraction of its true value.
- **Balance between growth and value**
 - The focus is on buying undervalued companies
 - Buying stable earnings / cash flows in reasonably priced assets
- **Long-term investment View**
 - Strongly believe that “Money is made by investing for the long term”
- **Bottom Up Approach**
 - To identify potential long-term wealth creators by focusing on individual companies and their management bandwidth.
- **Focused Strategy Construct**
 - The strategy should not consist of more than 15-20 stocks

Top Down analysis: market views, thematic drivers, winner categories, category winners



- Strategy Objective
- Investment Style & Timing
- Risk-Return Matrix
- Strategy Construct
- Model Holding
- Investment Committee
- Fund Structure



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

Buy undervalued stock and sell overvalued stock, irrespective of Index movements.

The below mentioned table gives the performance of the Stocks after exiting from the Strategy.

Scrip Name	Buy Date	Adjusted Buy Price	Sell Date	Adjusted Sell Price	CMP *	Scrip Returns post selling	Value Returns post selling	Nifty Returns post selling
Balkrishna Industries	14-Jan-04	24.20	31-Aug-05	169.32	770.1	18%	16%	15%
BHEL	23-Jun-03	27.38	26-Mar-07	224.31	256.7	2%	16%	11%
Ranbaxy	06-Nov-07	442.02	11-Jun-08	570.65	633.35	2%	16%	10%
Tata Steel Ltd	06-Nov-07	857.40	29-Mar-10	648.20	490	-6%	14%	10%
DLF	06-Jul-07	576.18	10-Jul-08	458.55	124.75	-19%	17%	12%
Bharti Airtel Ltd	25-Apr-03	17.24	07-Mar-12	329.20	398.9	8%	23%	19%

* Data as on 31st October 2014
Source: MOAMC

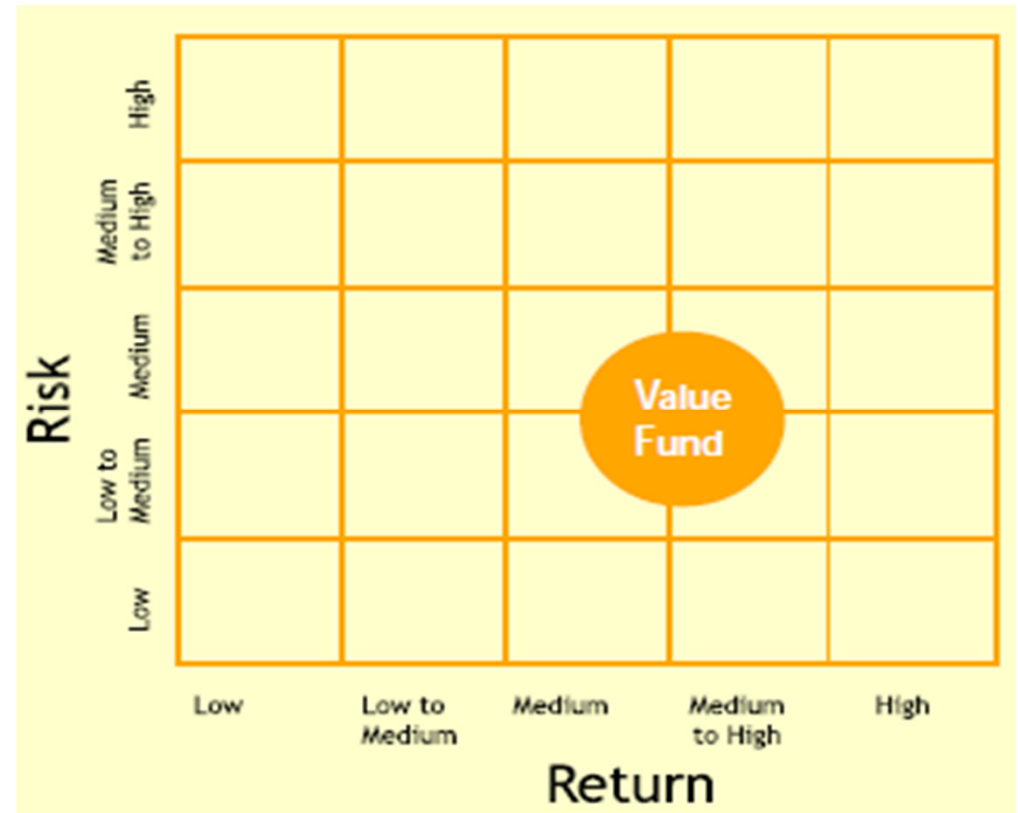
The Stocks mentioned herein are for general and comparison purpose only and not a complete disclosure of every material fact. It should not be construed as investment advice to any party. Past performance may or may not be sustained in future.

Risk-Return Matrix & Strategy Construct

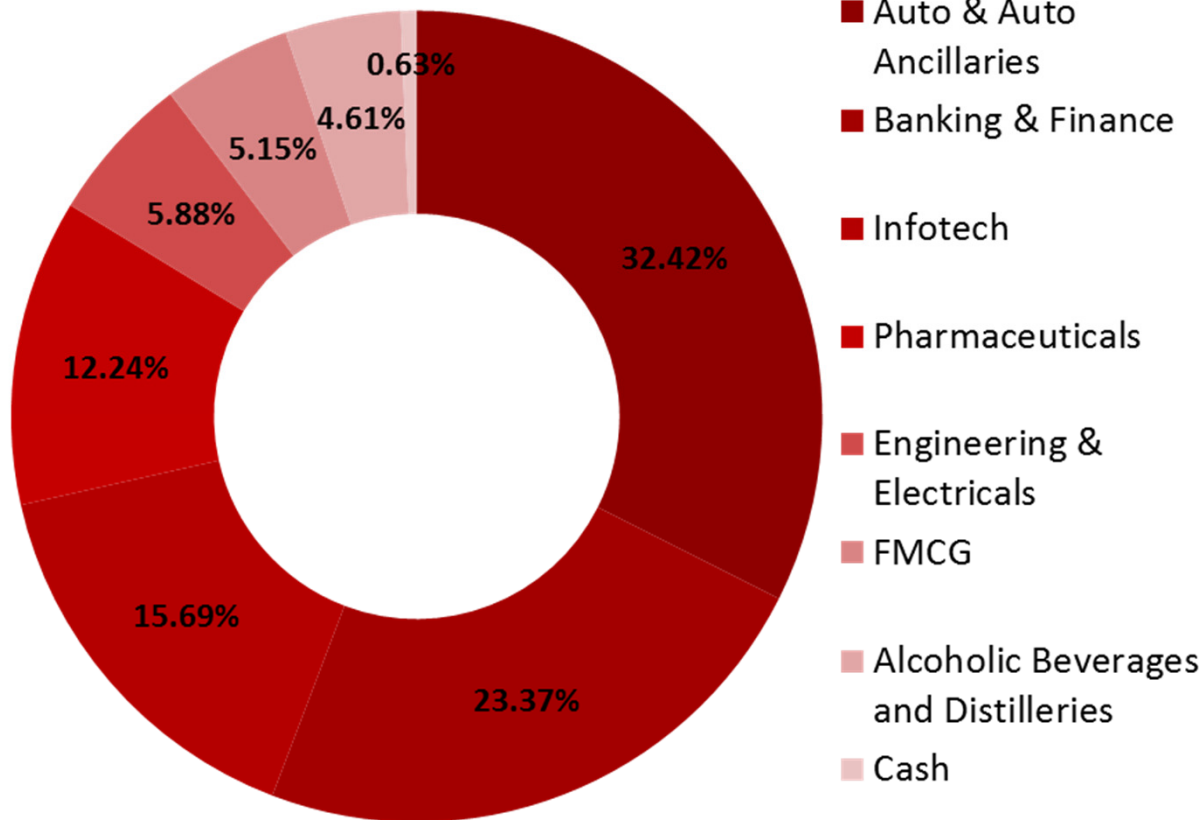
- Investment Horizon:
 - Medium to Long Term (3 Years +)
- For Whom:
 - Investors who like to invest with a Long-term wealth creation view.

Strategy Construct

- Allocations - Market capitalization
 - Large Caps : 65 % - 100%
 - Mid Caps: 0% - 35%
- No. of Stock
 - 15-20 stocks for a portfolio
- Scrip Allocation
 - Not more than 10% –12% in a single stock
- Sector Allocation Limit
 - 35% in a sector



Sector Allocation



Top Holdings

Scrip Name	%Holdings [^]
Eicher Motors Ltd.	16.76
Bosch Ltd.	10.32
HDFC Bank Ltd.	8.92
Tech Mahindra Limited	8.79
H D F C Limited	7.30
State Bank Of India	7.15
Sun Pharmaceuticals Ltd.	7.06
Tata Consultancy Services Ltd.	6.91
Larsen & Toubro Ltd.	5.88
Hero Motocorp Limited	5.34
Divis Laboratories Ltd	5.18
Asian Paints Ltd.	5.15

[^]Above 5%

Please Note: These stocks are a part of the existing Value PMS strategy as on 31st October 2014. These Stocks may or may not be bought for new clients. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. The strategy may or may not have any present or future holdings in these stocks. The companies mentioned above are only for the purpose of explaining the concept and should not be construed as recommendations from MOAMC.[^] Based as per the closing market prices on 31st October 2014.

Source: MOAMC

- **Mr. Raamdeo Agrawal** is a Co-founder and Joint Managing Director of Motilal Oswal Financial Services Ltd.
- Mr. Agrawal is also a Director on the Board of Motilal Oswal Asset Management Co. Ltd.
- He is the key driving force behind strong research capability as well as a renowned Value investor, and has also been instrumental in setting up the investment management philosophy of the firm.
- He has an extensive experience of more than 25 years in Financial Service Sector.
- Mr. Agrawal is an Associate of Institute of Chartered Accountant of India.
- One of India's foremost Value Investors and author of the 'Wealth Creation Study since its inception in 1996.
- In 1986, he wrote the book **Corporate Numbers Game**, along with co-author Mr. Ram K Piparia.



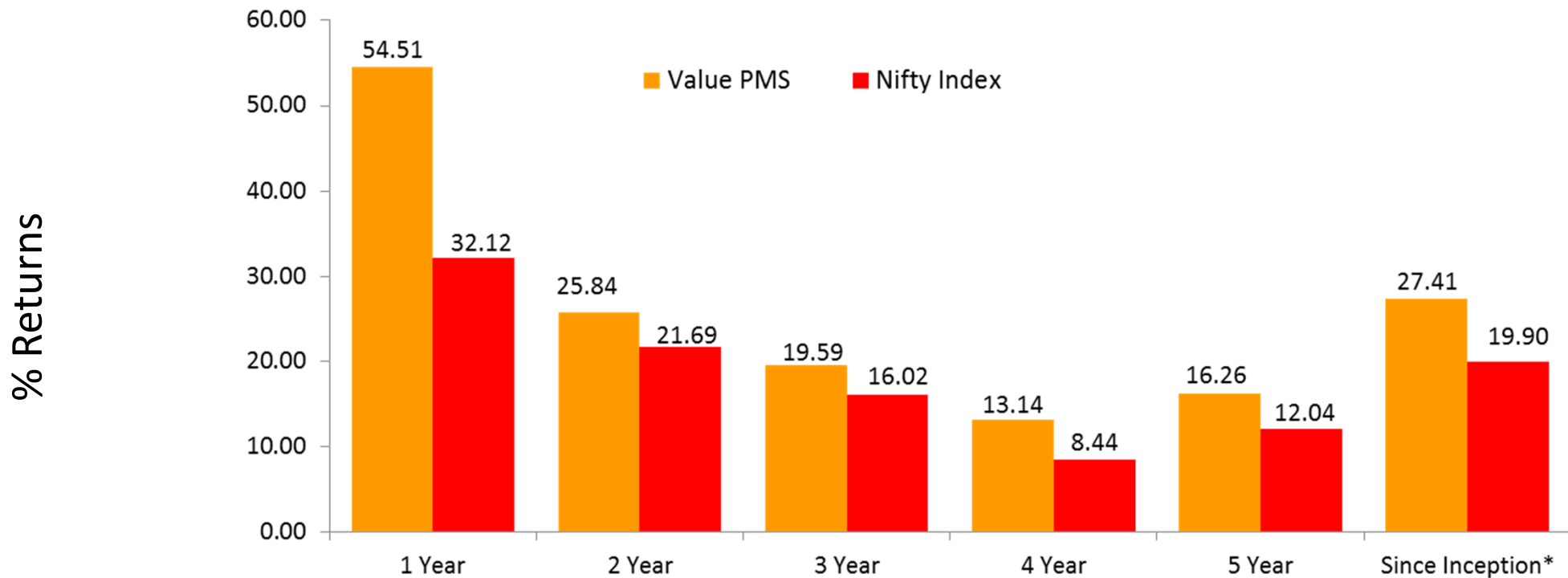
Fund Manager & Head Equity PMS

- **Mr. Manish Sonthalia** is Senior Vice President and Head -Equity PMS
- He has more than 17 Years Experience in Equity Research, Fund Management & Equity Sales.
- Qualifications – FCA, ICWAI, CS, MBA
- Past Experience : He has been Vice President – Equity Research at Motilal Oswal Securities Ltd.
- Fund Manager with PMS since 2006



Mode of payment	By Fund Transfer/Cheque and/or Stock Transfer
Investment Horizon	Medium to Long Term (3 Years +)
Benchmark	CNX Nifty Index
Account Activation	Next business day of Clearance of funds
Portfolio Valuation	Closing NSE market prices of the previous day
Operations	<ul style="list-style-type: none"> • Investments managed on individual basis • Third party Custodian for funds and securities
Reporting	<ul style="list-style-type: none"> • Monthly Performance Statement • Transaction, Holding & Corporate Action Reports • Annual CA certified statement of the Account
Servicing	<ul style="list-style-type: none"> • Dedicated Relationship Manager • Web access for portfolio tracking

Since Inception Value Strategy has delivered a CAGR of 27.43% vs. Nifty returns of 19.90%, an outperformance of 7.52% (CAGR).

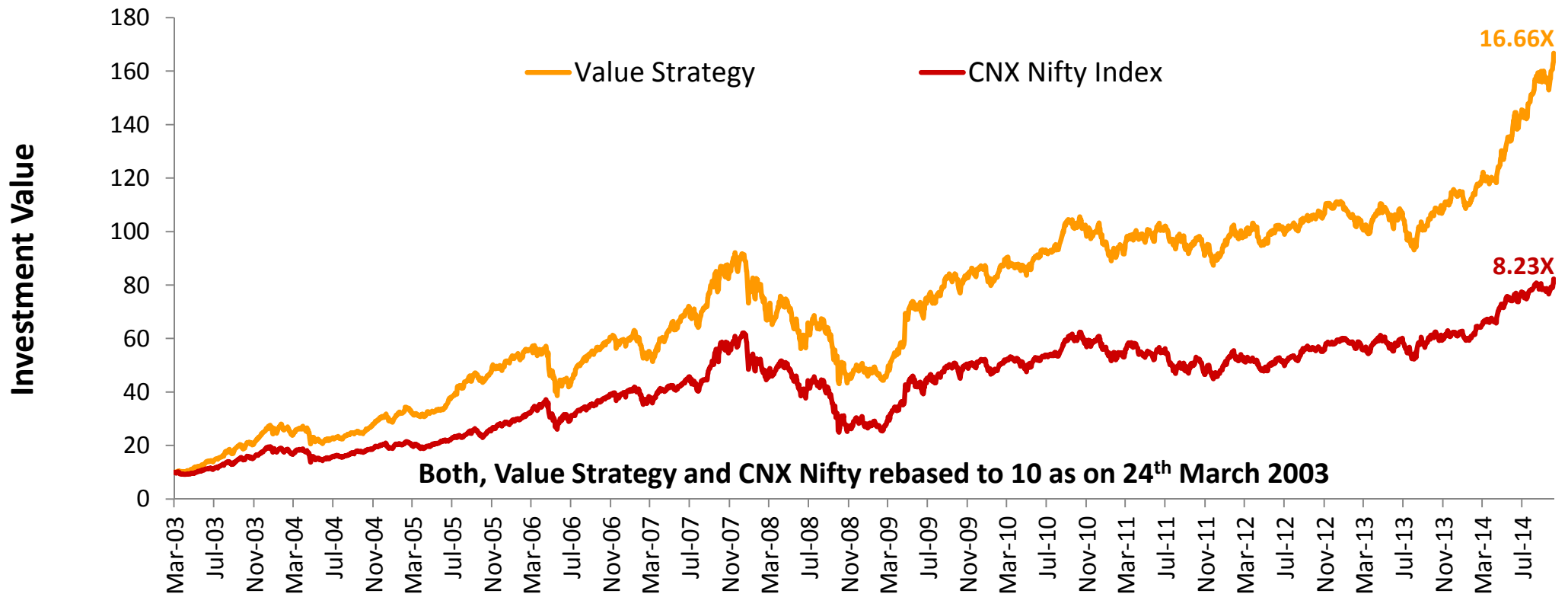


* Strategy Inception Date: 24/03/2003.

Please Note: The Above strategy returns are of a Model Client as on 31st October 2014. Returns of individual clients may differ depending on time of entry in the strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Strategy returns shown above are post fees & expenses. Returns above 1 year are annualized.

Performance Since Inception

The chart below illustrates Rs.1 crore invested in Value PMS in March 2003 is worth Rs. 16.6 crores as on 31st October 2014. For the same period Rs. 1 crore invested in Nifty is now worth Rs. 8.23 crores.



Strategy Inception Date: 24/03/2003.

Please Note: The Above strategy returns are of a Model Client as on 31st October 2014. Returns of individual clients may differ depending on time of entry in the strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Strategy returns shown above are post fees & expenses.

The Value strategy has outperformed the benchmark with a lower level of volatility and has managed to deliver strong returns while offering defensive characteristics, reducing losses during periods of market downturn but participating in the upside.

5 Years Data	Portfolio	Benchmark*
Beta	0.75	1.00
R2	76.92	100.00
Up Capture Ratio	91.74	100.00
Down Capture Ratio	70.10	100.00
Sharpe Ratio	0.51	0.25
Standard Deviation	15.16	17.80

Source : Motilal Oswal AMC/Morningstar Direct, Data as on 30/09/2014, returns annualized using model strategy * CNX Nifty Index

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Thank You

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SEBI Certificate of Registration as Portfolio Manager INP 000000670