



RW EMERGING INDIA THEME

OBJECTIVE

To capitalize on the theme of 'Value Migration' by investing in companies whose business model is more aligned to newer ways of production /consumption.

STRATEGY

Value Migration theme prefers a stock which has 'Next - Gen' opportunity. The stock has 'Growth in Value' characteristic and passes the 360 degree Deductive Reasoning Framework.

PROCESS - Fundamental Bottom Up Research

Information Mining-> Financial Modeling-> Investment Thesis-> Active & Rigorous tracking for changes in Earnings& Quality outlook.

WHAT IS VALUE MIGRATION?

Value Migration is the flow of value from the outmoded business designs to new ones that are able to satisfy consumer's need. Some of the value migration we have witnessed and are currently witnessing are:

- Public sector banks to Private Sector banks
- Private full service Airlines to Private Low cost Airline
- Local Garment shops to Organized Retail/ Online Shopping
- Housing as an amenity to housing as a luxury
- LPG cylinders to Piped gas

KEY FEATURES OF RW EMERGING INDIA THEME

Investment in Value Migration within Industry

There will be a sea change in the way a product or service is consumed currently and in future. This fund will Invest in companies that are leading the change

No Cap Risk:

Value migration opportunity is available across High cap companies to micro cap companies

Benchmarking:

The Investment advisory portfolio will be benchmarked against the Nifty 500

The portfolio:

The portfolio consist of 15-25 stocks to provide superior risk adjusted returns..

Growth in Value Framework

Companies that have improving/higher return ratio are favored.

Bottom Up Analysis:

A rigorous bottom up research of business financials and management strategies is carried out for all portfolio companies.

Benchmark - Nifty 500 Index



No. of Stocks

15-25 Stocks



Time Horizon

5 Years



Expected CAGR

15%



Top-up /Withdrawal Amt.

1,00,000



Minimum Investment Amt.

5,00,000



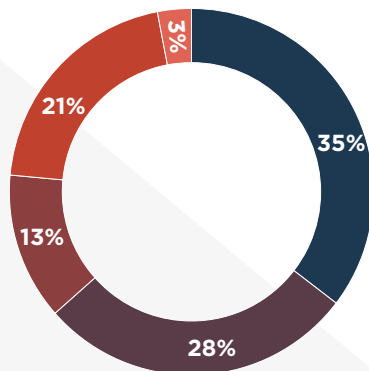
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STOCK SELECTION PROCEDURE INVOLVING 3 BROAD PROCESSES

- 1 MQC**
 M - Momentum In Return Ratios The RoE, RoCE or the Free Cash flows of company must be increasing
 Q - Quality Return ratios versus its peer as well as broader stock universe.
 C - Capital Allocation Management strategy on Allocation of funds
- 2 360 Degree Deductive Logic Framework**
 - Sustainable Valuation possible & factors impacting while identifying when market is under- pricing the company
 - Outlook on the company Financials-why a company is considered trading below its intrinsic value
 - Building a detailed business & financial model to realize the sources of earning & quality delta for the company.
 - Management strategy in terms of its finances particularly in terms of source & deployment of capital, marketing strategy in terms of its products, segments, pricing etc.
 - State of addressable market & identifying the changing dynamics of that addressable market.
- 3 Earnings & Quality: Both should be evolving in linear manner**
 There are three moving parts in terms of fundamental- stock price relation. These are changes in earnings, quality and valuation. Every company in its evolution passes through various stage of its progress. We prefer buying where linearity or a consistent positive delta is expected in earnings profile and the quality profile of the company. A stock before selection for portfolio should be first identified into what stage it is into.

RW Emerging India Theme

- Consumers
- Financials
- Industrial
- Global
- Cyclical



Portfolio Holdings

COMPANY	%	COMPANY	%
ICICIBANK	10%	VMART	5%
ISEC	7%	NAZARA	5%
SBIN	7%	NESTLEIND	5%
ESCORTS	7%	SBILIFE	4%
HCLTECH	6%	JKCEMENT	4%
TECHM	6%	MCDOWELL-N	4%
BRITANNIA	6%	DRREDDY	4%
DIXON	6%	MAITHANALL	3%
KNRCON	6%	PRAJIND	2%
BHARTIARTL	5%		

Return Profile vis a vis Benchmark

Years	RW Emerging India Theme	Nifty 500
1 Year	63.8	55.3
2 Years	36.5	27.3
3 Years	21.8	13.4
4 Years	20.3	13.7
5 Years	19.8	14.2
Since Inception (1st April 2013)	24.8	15.1

Performance Attributes

	Portfolio	Benchmark
Alpha	9.74	
Beta	1.01	
R - Square	81.96	
Sharpe	1.25	0.85
Standard Deviation	19.78	17.75
Max Drawdown	-37.93	-38.30
Annual tracking Error	8.40	
Information Ratio	1.16	

Please Note: Data as on August, 2021. The 1 year is ABSOLUTE returns & 2y/3y/4y/5yr/SI figures are CAGR Returns. The above portfolio allocation will be assessed every month to ascertain sector and scrip reshuffling. Kindly contact your RM for the latest allocation.