



RW INDUSTRY LEADERS THEME

OBJECTIVE

Long term capital appreciation by investing in companies that are the top-3 players of their respective industries.

STRATEGY

RW Industry Leaders Theme identifies companies that are leaders of their respective industry and are showing growth in value characteristics with expected higher return ratio

PROCESS - Fundamental Bottom Up Research

Information mining, financial modeling, investment thesis, active & rigorous tracking for changes in earnings & quality outlook.

WHY RW INDUSTRY LEADERS THEME?

Companies with a proven track record of industry outperformance, effective leadership and efficient management usually find themselves as the RW Industry Leaders. In an uncertain economic environment these are the best companies to buy as these companies are run by proven management and leadership team than can navigate difficult times.

KEY FEATURES OF RW INDUSTRY LEADERS THEME

Investment in the RW leaders industries

Investment in the RW Industry Leader ensures good governance and continuous innovation in the management

Cap Risk:

The Investment advisory portfolio will have exposure to leaders of the segment which comprise of mostly large cap stocks

Benchmarking:

The Investment advisory portfolio will be benchmarked against the Nifty 100

The portfolio:

The portfolio will consist of 12-18 stocks to provide superior 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 100 Index



No. of Stocks

12-18 Stocks



Time Horizon

3 Years



Expected CAGR

14%



Top-up /Withdrawal Amt.

50,000



Minimum Investment Amt.

3,00,000



RW INDUSTRY LEADERS THEME

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.

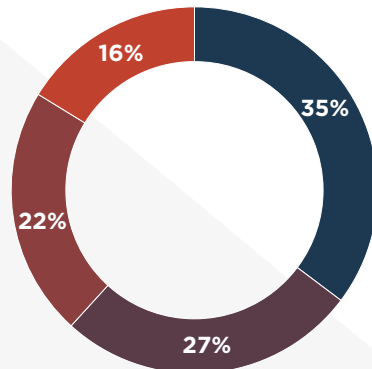
3

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 Industry Leaders Theme

- Consumers
- Financials
- Industrial
- Global



Portfolio Holdings

COMPANY	%	COMPANY	%
TCS	12%	NESTLEIND	5%
HDFCBANK	11%	BHARTIARTL	4%
RELIANCE	10%	DRREDDY	4%
DMART	10%	ISEC	4%
ICICIBANK	10%	SUNTV	3%
APOLLOHOSP	8%	KAJARIACER	3%
LT	7%	HDFCAMC	2%
MCDOWELL-N	6%		

Return Profile vis a vis Benchmark

Years	RW Industry Leaders	Nifty 100
1 Year	57.1	51.1
2 Years	31.0	24.8
3 Years	12.9	13.1
4 Years	14.3	14.0
5 Years	16.6	14.1
Since Inception (1st Oct 2009)	20.7	11.1

Performance Attributes

	Portfolio	Benchmark
Alpha	9.57	
Beta	1.00	
R - Square	73.02	
Sharpe	1.03	0.65
Standard Deviation	20.13	17.24
Max Drawdown	-37.23	-38.10
Annual tracking Error	10.46	
Information Ratio	0.91	

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.