

# ASK India Select Portfolio Factsheet– Feb 2023

Public

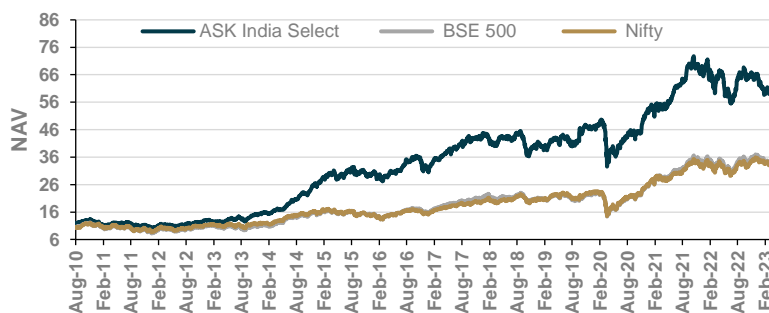
**Investment Approach Objective:** ASK India Select Portfolio aims to invest in best ideas from each of the four business attributes: Size of Opportunity: Size of pond Vs. size of fish; Quality of Business: Superior Return on Capital Employed; Key pivot of strong wealth creation; Earnings Growth: Quantum, consistency and durability of earnings; Value: Price-value gap or margin of safety.

Top 10 Holdings (%)	
BAJAJ FINANCE LTD	6.9
APL APOLLO TUBES LTD	6.6
ICICI BANK LTD	6.3
POLYCAB INDIA LTD	6.3
P I INDUSTRIES LTD	5.5
BAJAJ FINSERV LTD	5.3
NAVIN FLUORINE INTERNATIONAL LTD	5.2
RELIANCE INDUSTRIES LTD	5.2
INFOSYS LTD	5.0
TITAN COMPANY LTD	4.8

Top Sector Weights (%)	
Banks	11.1
Retail	8.2
Insurance	7.6
NBFC	6.9
Pipes	6.6
Consumer durables	6.3
Chemical	6.3
Agri Chemicals	5.5

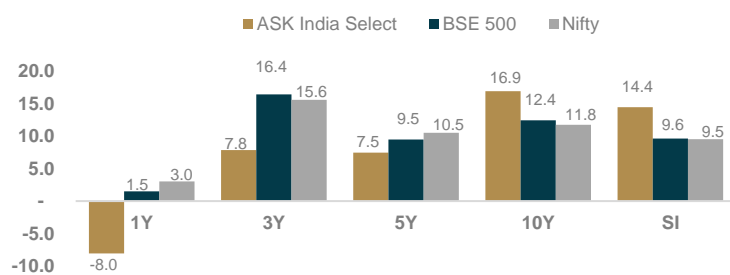
ASK India Select Portfolio Metrics	
Total Assets under Management & Advisory in Rs. Crs.	3,423
Weighted Average Market Cap in Rs. Crs.	2,72,901
Median Market Cap in Rs. Crs.	61,018

## ASK India Select Movement Since Inception

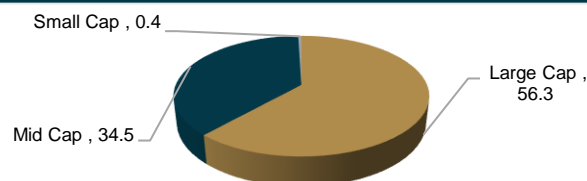


Rs. 1 Cr invested in ASK India Select in Jan 2010 is now worth Rs. 5.90 Crs v/s Rs. 3.34 Crs in BSE 500

## ASK India Select Portfolio Performance (%)



## Market Cap Classification (%)



### ASK India Select Portfolio Update

Global markets turned volatile in the month of February driven by monetary policy action from US Federal Reserve and recalibration by the market of future rate hike path. While the US markets ended marginally negative, the European markets ended marginally positive in the month of February. The domestic markets too turned volatile in the month of February driven by muted commentary by most managements on the current demand outlook and further tightening of interest rate by RBI in its scheduled monetary policy meet.

On the portfolio performance front, the benchmark ended lower by ~2.9% with our portfolio outperforming the benchmark. Outperformance was largely driven by the financial and chemical exposure in the portfolio. The key outperformers during the month were APL Apollo Tubes Limited, Bajaj Finance Limited, Bajaj Finserv Limited and Navin Fluorine Limited while the key underperformers during the month were Divi's Laboratories Limited, Patanjali Foods Limited, Page Industries Limited and Infosys Limited.

On the quarterly results Q3FY23 Operating Profit (OP) growth for our portfolio stood at 21% YoY and 10.3% QoQ while Profit After Tax (PAT) growth stood at 16% YoY and 11.7% QoQ. Management commentary on volume growth pointed towards a muted Q3FY23 driven by contraction in demand post the festive period, there are some signs of recovery which were visible as the companies exited the calendar year. While Navin Fluorine Limited and Polycab India Limited reported better than expected numbers, Divi's Laboratories Limited, Dixon Technologies Limited and Page Industries Limited reported weaker than expected results.

On the portfolio action front, we have trimmed weight in Dixon Technologies Limited, Divi's Laboratories Limited, ICICI Bank Limited, Aarti Industries Limited and Polycab Limited.

Going forward, we will monitor farm incomes closely as the rabi crop comes up for harvesting. Further, the Union Budget has rightfully accelerated the capital expenditure outlay for FY24 which should additionally lead to revival in domestic demand. On the exports front, we believe that the environment remains volatile in the near term, however, we expect reversal of the inventory de-stocking cycle witnessed in FY23 to play out in FY24 which should provide an additional lever for growth.

Over the medium to long term, we believe that various regulatory/fiscal initiatives taken in the past few years coupled with structural transition in the manufacturing sector (favorable policy environment coupled with opportunities from shift in global supply chain) will translate into acceleration in GDP growth.

### Key Investment Approach Objectives & Attributes

- Size of pond vs size of fish
- Dominance
- Resilience
- Liquidity

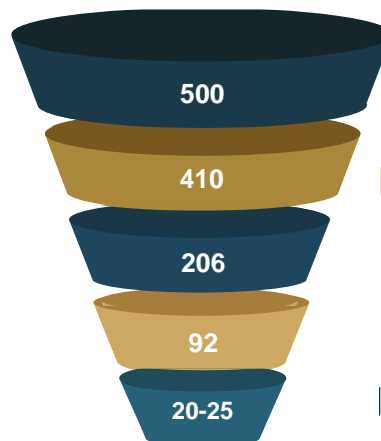


- High quality of business
- (Superior RoCE)
- Strong moat, Impregnability
- Sustainability
- Key pivot of strong wealth creation

- Quantum
- Consistency
- Durability
- Predating (Early vs Later)
- Compounding power

- Favorable Price-Value Gap
- Margin of safety

### Investment Approach Research Methodology & Filtration



Top 500 as per market capitalization

Profit Before Tax (PBT) above INR 75 crs trailing 4 quarters

Subjective evaluation of management quality (integrity, vision, execution, capital allocation skills and capital distribution).

Rigorous filters of minimum of 20% Return on Capital Employed (Capital Efficiency) and minimum of 15% annual Earnings Growth over the next 3 to 5 years.

Finally a portfolio emerges of 20-25 businesses, representing an optimal blend of a overall characteristics, and adequate diversity, with a minimum Margin of Safety of 15%.

Note: Maximum of 20% of the Portfolio may be an exception to either of ROCE or Earnings Growth rule <sup>1</sup>at the time of 1<sup>st</sup> purchase of the stock

### FY-wise Drawdown Analysis

Financial Year	Max Drawdown		FY Performance	
	ASK India Select	BSE 500	ASK India Select	BSE 500
FY 11	-20%	-20%	16%	7%
FY 12	-17%	-25%	-4%	-9%
FY 13	-5%	-10%	10%	5%
FY 14	-8%	-16%	39%	17%
FY 15	-2%	-7%	73%	33%
FY 16	-12%	-20%	-2%	-8%
FY 17	-15%	-12%	25%	24%
FY 18	-8%	-11%	13%	12%
FY 19	-19%	-16%	3%	8%
FY 20	-32%	-38%	-15%	-28%
FY 21	-10%	-10%	52%	77%
FY 22	-18%	-15%	20%	21%

### ASK India Select Portfolio Cos Average Performance over last 5 years (CAGR) as on FY22

Sales	OP	PBT	ROCE*	PAT
17%	18%	16%	34%	17%

\*For Banking & Financial companies, we have not considered ROCE, but have considered ROE for the above analysis. ROCE is only for FY

### Risk Parameters (Since inception)

Parameter	ASK ISP	BSE 500
Beta	0.84	N.A.
Standard Deviation	16.0%	16.7%
Sharpe Ratio	0.43	0.16

### Key Terms

Portfolio Name	ASK India Select Portfolio
Platform / Structure	PMS
Benchmark	BSE 500
Portfolio Managers	Mr. Chetan Thacker (Primary Portfolio Manager) & Mr. Kuldeep Gangwar (Co-Portfolio Manager)
Minimum Initial Investment Amount	Rs. 50 Lakhs
Minimum Add-on Investment Amount	Rs. 5 Lakhs
Fees <sup>1</sup>	Fixed Management Fees: 2.50% p.a.
Systematic Transfer Plan (STP) <sup>2</sup>	Investments will be made in a staggered manner as per the instructions provided by the client. Fees as per the respective strategy (ASK Liquid / ASK Equity) will be charged for the invested amount.

#### Notes:

- <sup>1</sup>In addition to the Management Fees, there are Recurring Expenses including Custody Fee, Account Opening Charges, Audit Fees, etc. to be payable at actuals. All fees and expenses will be subject to applicable taxes. For more details, kindly refer the Fee Schedule.
- <sup>2</sup>Kindly refer to the STP Application Form for the detailed terms and conditions.
- Redemption amount is arrived at after calculation and charging of all Fees and Expenses.

**Note:** Inception Date of ASK India Select is 4-Jan-2010. Performance figures are net of all fees and expenses. ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Feb 28, 2023. Returns for individual client may differ depending on time of entry in the Portfolio. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI.

**Source:** Closing Price as sourced from Bloomberg. Returns for 1 year or less time period are absolute returns, while more than 1 year are CAGR. Market Cap is Acc to AMFI Classification which happens half yearly. Classification as on Dec 2022.

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