

Kotak India Focus Portfolio Investment Approach - Series II

(Erstwhile Kotak Special Situations Value Investment Approach - Series II)



February 2023

Investment Objective

The main objective of the Investment approach is to generate capital appreciation through investments in equities with a medium to long-term perspective.

Investment Approach

The portfolio shall essentially target to invest in Value Opportunities and Special Situations in individual stocks and related instruments.

Value Opportunities are ones, where in the opinion of the fund manager, the company's Intrinsic Value is 'X', while the stock is trading at a discount to X.

Special Situations are dependant on the probability of occurrence of one or more corporate events, rather than market events. These situations can largely be classified as follows:

a. Price arbitrage: In such situations securities are bought at a discount to the price, which is/ maybe guaranteed by any institution. These situations can arise in the form of buybacks, delistings, etc.

b. Merger arbitrage: In such arbitrage, shares of a company can be created at a discount to the current market price.

c. Corporate restructuring: Such arbitrage is a consequence of specific corporate action in the form of spin offs, asset sales, management change, etc. leading to either value unlocking or cash payouts to investors

Snapshot

Structure	PMS
Fund Manager	Anshul Saigal
Inception Date	September, 2017
Benchmark	India Allcap Index (Synthetic Benchmark Index)
Minimum Initial Investment	50 Lakhs
Investment Horizon	Open Ended, minimum investment of 3 years

Investment Style Box

Equity Style Box™

	Value	Blend	Growth	
				Large
				Mid
				Small

Risk Ratios

Std Dev	Beta	Sharpe Ratio	Jensen's Alpha	Sortino
17%	0.9	0.7	1.5%	1.0

Key Contributors

Scrip Name

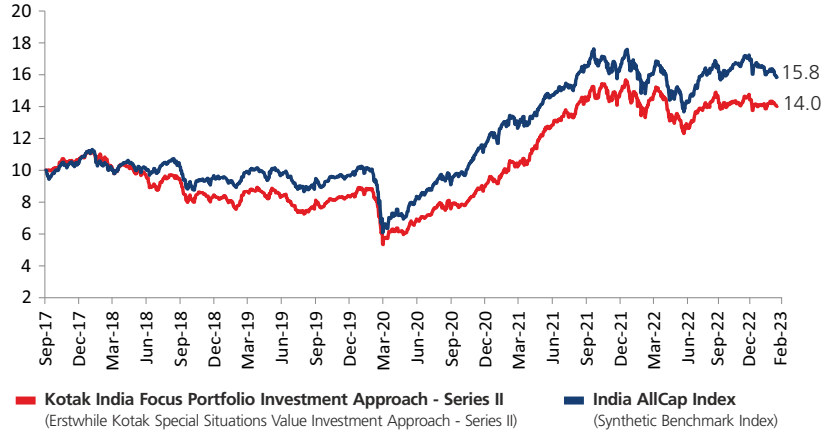
Blue Star Ltd
Polycab India Ltd
ICICI Bank Ltd

Key Detractors

Scrip Name

Isgec Heavy Engineering Ltd
Whirlpool Of India Ltd

Performance



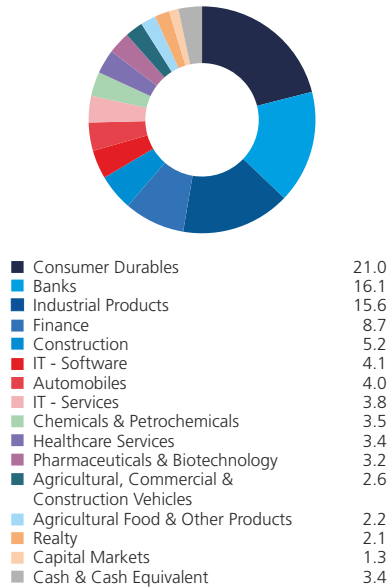
Trailing Returns (%) as on 28th February 2023

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception
Kotak India Focus Portfolio Investment Approach - Series II (Erstwhile SSV II)	-0.5	-3.6	-1.8	0.6	19.2	5.6	6.4
India Allcap Index (Synthetic Benchmark Index)	-2.4	-7.3	-3.5	2.2	19.4	8.8	8.8

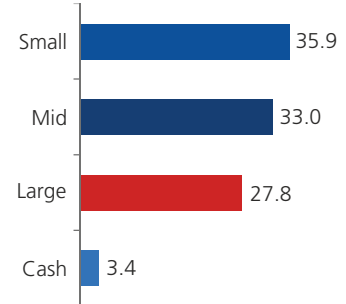
* TWRR based on Aggregate Portfolio (Net of all expenses)

** Returns are annualised for periods greater than 1 year

Sectoral Allocation (%)



Market Cap Allocation (%)



Top Holdings

Security Name

State Bank Of India
Polycab India Ltd
Blue Star Ltd
Carborundum Universal Ltd
HDFC Bank Ltd

Kotak India Focus Portfolio Investment Approach - Series II

(Erstwhile Kotak Special Situations Value Investment Approach - Series II)

February 2023



Name of Investment approach	Kotak India Focus Portfolio Investment Approach - Series II (Erstwhile Kotak Special Situations Value Investment Approach - Series II)
Investment Objective	The main objective of the Investment approach is to generate capital appreciation through investments in equities with a medium to long-term perspective.
Description of types of securities eg., equity or debt, listed or unlisted, convertible instruments, etc.	Listed Equity
Basis of selection of such types of securities as part of the investment approach	<p>The portfolio shall essentially target to invest in Value Opportunities and Special Situations in individual stocks and related instruments.</p> <p>Value Opportunities are ones, where in the opinion of the fund manager, the company's Intrinsic Value is 'X', while the stock is trading at a discount to X.</p> <p>Special Situations are dependent on the probability of occurrence of one or more corporate events, rather than market events. These situations can largely be classified as follows:</p> <p>a) Price arbitrage: In such situations securities are bought at a discount to the price, which is/ maybe guaranteed by any institution. These situations can arise in the form of buybacks, delisting, etc.</p> <p>b) Merger arbitrage: In such arbitrage, shares of a company can be created at a discount to the current market price.</p> <p>c) Corporate restructuring: Such arbitrage is a consequence of specific corporate action in the form of spin offs, asset sales, management change, etc. leading to either value unlocking or cash payouts to investors</p>
Allocation of portfolio across types of securities	The portfolio would be diversified across such opportunities and corporate situations. The portfolio will be a mix of small, medium and large capitalization companies. The portfolio Investment approach shall also evaluate any other special situations other than the ones stated herewith.
Appropriate benchmark to compare performance and basis for choice of benchmark	India Allcap Index
Indicative tenure or investment horizon	Open Ended, minimum investment of 3 years
Risk associated with the investment approach	Risk related to Equity and Equity related Securities, High Risk
Other salient features, if any	
Risks	<p>Kotak India Focus Portfolio Investment approach may invest substantially in equity and equity related securities. The level of concentration of sectors and stocks in this Investment approach is likely to be higher than a well-diversified equity strategy/fund. The risks associated with such a Investment approach, are likely to be higher than in a well-diversified equity investment/fund. As the Investment approach will be invested in a limited number of stocks, the movement of the corpus may be more volatile than in the case of a diversified equity Investment approach/fund. Since the Investment approach follows a concentrated stock Investment approach, in case the chosen Stock does not perform, it could adversely impact the returns of the Investment approach. The value of the portfolio's investments may be affected by factors affecting the securities market such as price and volume volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors. Consequently, the value of investments may be affected. Equity securities and equity related securities are volatile and prone to price fluctuations on a daily basis. The liquidity of investments made in the portfolio may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the portfolio to make intended securities purchases due to settlement problems could cause the Portfolio to miss certain investment opportunities. Similarly, the inability to sell securities held in the Investment approach's portfolio may result, at times, in potential losses to the Investment approach, should there be a subsequent decline in the value of securities held in the Investment approach's portfolio. Investments in equity and equity related securities involve a degree of risk and investors should not invest in the Investment approach unless they can afford to take the risk of losing their investment.</p>

Disclaimer :
Investments in securities are subject to market risk and there is no assurance or guarantee of the objectives of the Portfolio being achieved or safety of corpus. Past performance does not guarantee future performance. Investors must keep in mind that the aforementioned statements/presentation cannot disclose all the risks and characteristics. Investors are requested to read and understand the investment strategy, and take into consideration all the risk factors including their financial condition, suitability to risk return profile, and the like and take professional advice before investing. Opinions expressed are our current opinions as of the date appearing on this material only. We have reviewed the document though its accuracy or completeness cannot be guaranteed. Neither the company, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own independent professional advice. While we endeavour to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. Investors and others are cautioned that any forward - looking statements are not predictions and may be subject to change without notice. This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe this restriction. This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This document is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

The performance related information provided therein is not verified by SEBI.