

India Select – Concept Note

Investment Objective

The Investment Objective of India Select portfolio is to construct a focused dynamic mix of well-researched companies within the large and mid size capitalization range with potential to deliver long term positive returns with a reasonable margin of safety.

Investment Strategy

- Adequate diversification across sectors and investment themes through a well-rounded portfolio comprising 15-20 stocks.
- Minimum 50% weight in large blue chip companies, offering stability and compounding.
- Remaining exposure in high quality mid cap companies offering aggressive growth.
- Long-only portfolio with a focus on quality of business and management on one hand, and economic trends and opportunities on the other.
- Emphasis on the overall trading liquidity of the portfolio to ensure maneuverability in the portfolio.
- Focus on growth characteristics and capital efficiency of the businesses. This implies an inclination to “quality businesses at reasonable valuation” rather than “mediocre businesses at cheap price”.

Investment Approach

- Focus on identifying opportunities in Indian economy that are large, structural and can be profitable. We rely on fundamental approach to investing with a rigorous analysis of the company financials, growth opportunities and management bandwidth.
- For inclusion in the portfolio, the businesses have to pass the sieves of growth, liquidity, capital efficiency and size of profits.
- Endeavour to protect capital and generation of positive long term returns.

Investor Profile

This offering is suitable for those investors, both private and institutional, who would like:

- A personalized investment program and participation in India’s growth opportunity

Risk factors:

India Select Portfolio concept is an investment theme around which individual portfolios in listed Indian Equities are designed. Equities as an asset class carry a higher risk in comparison to debt. While risk cannot be totally eliminated, it can be mitigated through a well-designed investment strategy. The ASKIM Portfolios seek to mitigate risk and deliver superior returns through research-based investing. However, this objective may not be fully achieved due to various reasons such as unfavorable market movements, misjudgment by portfolio manager, adverse political or economic developments etc. Past performance is not a guarantee of future returns.



- To seek superior compounding over the next 3- 5 years horizon
- To seek a Portfolio construct offering fine blend of large cap stocks aiming to offer decent compounding and stability to portfolio and emerging mid size companies offering higher growth.
- A proactive service and bespoke advice.

Benchmark Index:

BSE 100

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Current Portfolio Construction Summary & Portfolio Guidelines	
Investment Strategy: Active, Passive	Active with focus on long term compounding growth
Investment approach: Fundamental, Quantitative, Core	Fundamental approach
Screening approach: Bottom up, Top Down, Combination	Bottom up
Equity style: Deep Value, Value, Core, Growth at Reasonable Prices, Growth	Growth at Reasonable Prices
Portfolio Benchmark	BSE 100
Maximum position of single stock (in %)	10%
Maximum sector position (in %)	25%
Maximum country allocation (in %)	Indian listed equities only
Maximum cash position (in %)	Cash is a residual asset and not a tactical tool to manage the portfolios.
Market capitalization bias (small, mid, large, all cap)	In India Select Portfolio, the model provides necessarily for 50% positions forming part of large cap stocks and the balance in high quality select mid cap ideas. While the large cap positions are expected to provide steady and compounding growth to the portfolio over the medium to long term horizon, the remaining exposure to high quality mid cap companies is expected to offer aggressive growth.
Average number of portfolio holdings (last 5 years)	15 to 20
Use of derivatives for hedging	None
Use of derivatives for active strategy	None

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Tracking error (if applicable)	None
Portfolio Accounting Currency	INR & \$

Features of the Portfolio	
Minimum Initial Investment Amount	<i>Initial Investment:</i> Rs.2 crore <i>Top-up:</i> Rs.5 lacs and multiples thereof
Exit Load	Uncharged Management Fee for the 1 st year for withdrawals within 1 year
Option 1: Fixed Fees	Management Fee: 2.50% p.a on the daily average Net Asset Value of the Portfolio.
Option 2: Variable Fees	Management Fee: 1.50% p.a. on the daily average Net Asset Value of the Portfolio Profit Sharing: 15% fees on any Positive Portfolio Performance of each period with higher watermark.
Portfolio Manager	Dhrumil Shah

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