

Ace Equity Portfolio

Value to Growth Portfolio to benefit from India story

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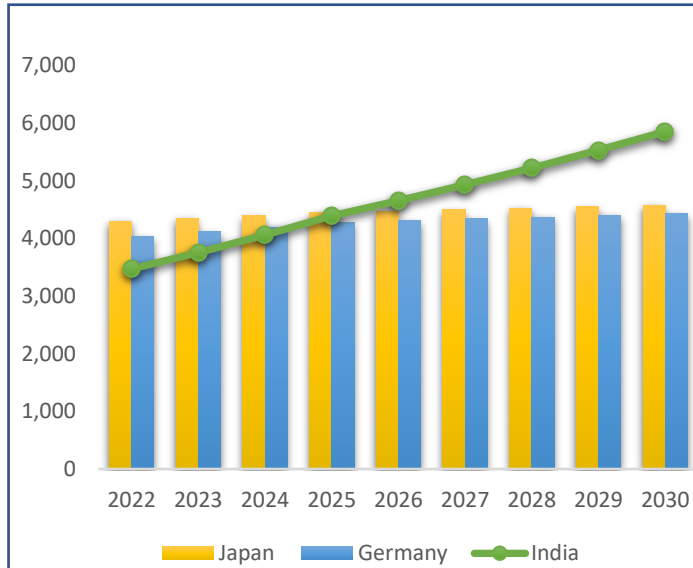
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India's Growth Story

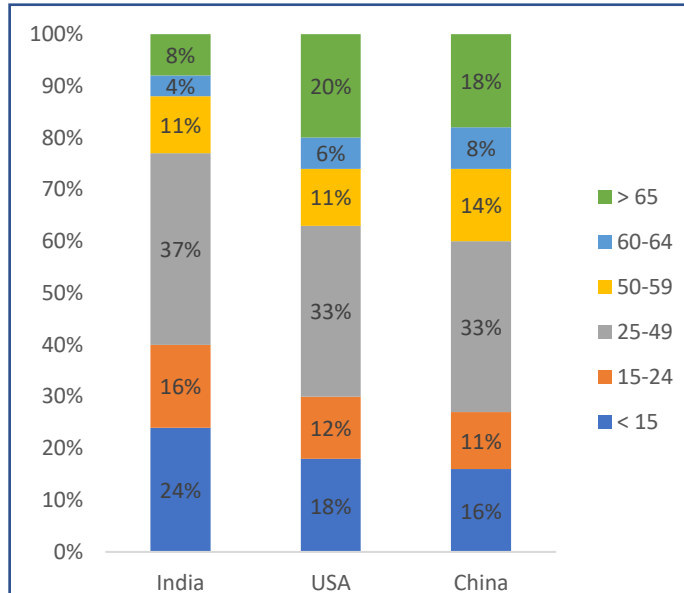
India's Major Growth Enablers

1



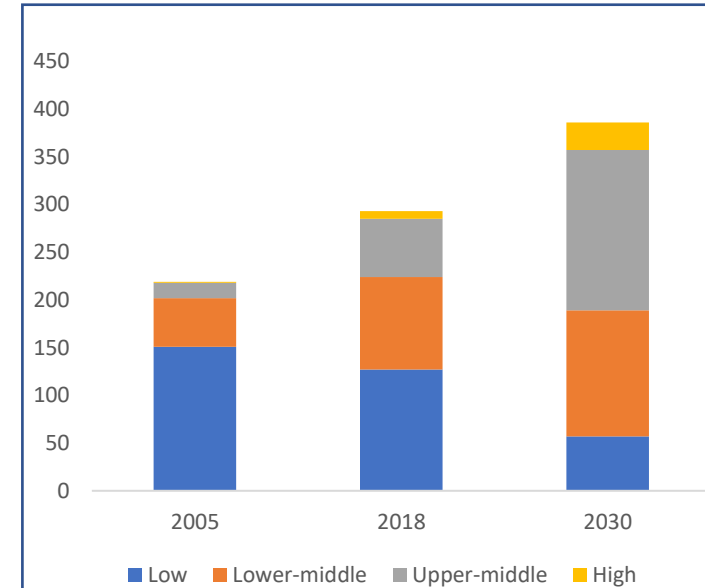
3rd largest economy by 2030

2



Largest working age population

3



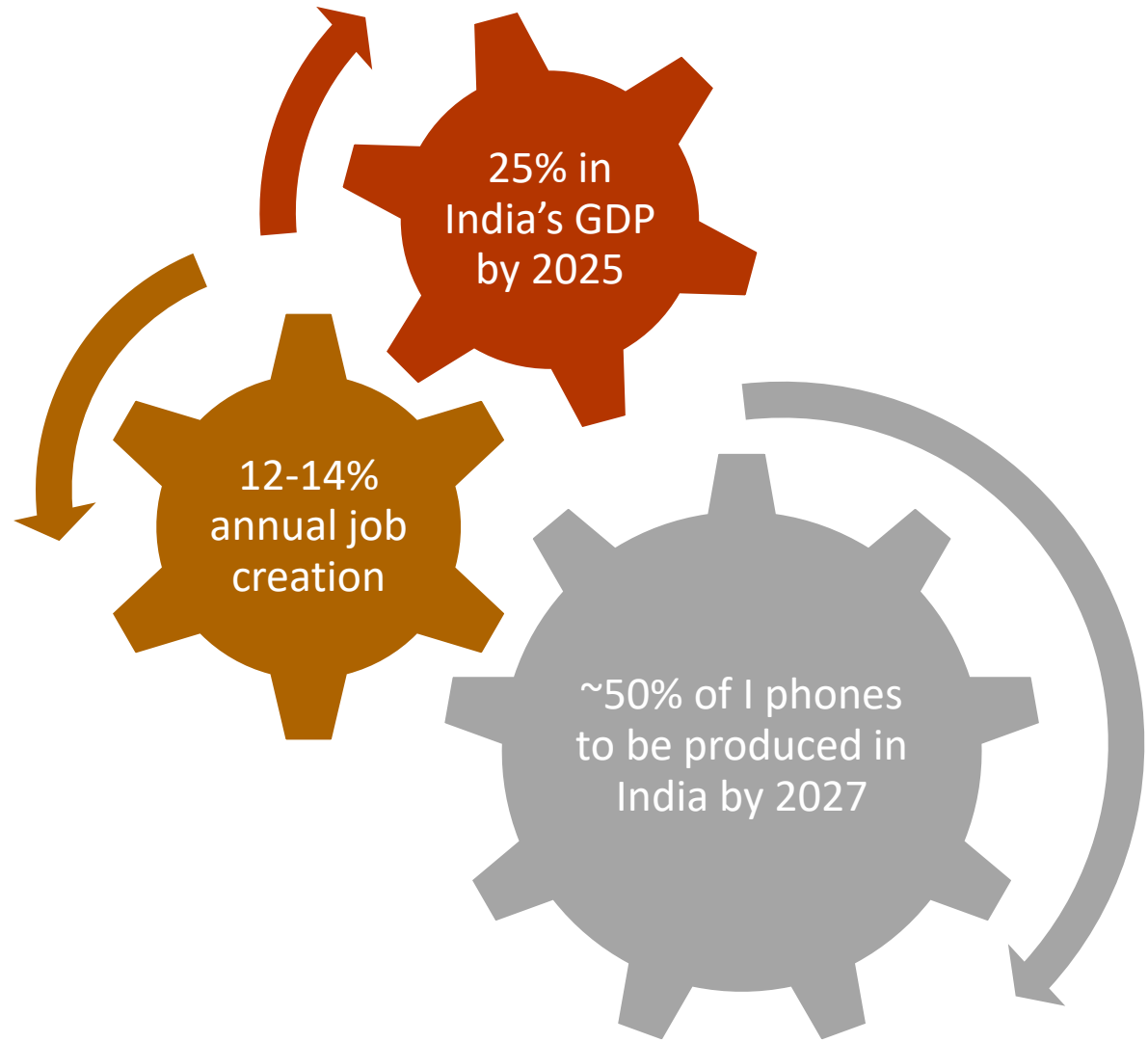
Upward shift in income distribution

India's Growth story is evolving



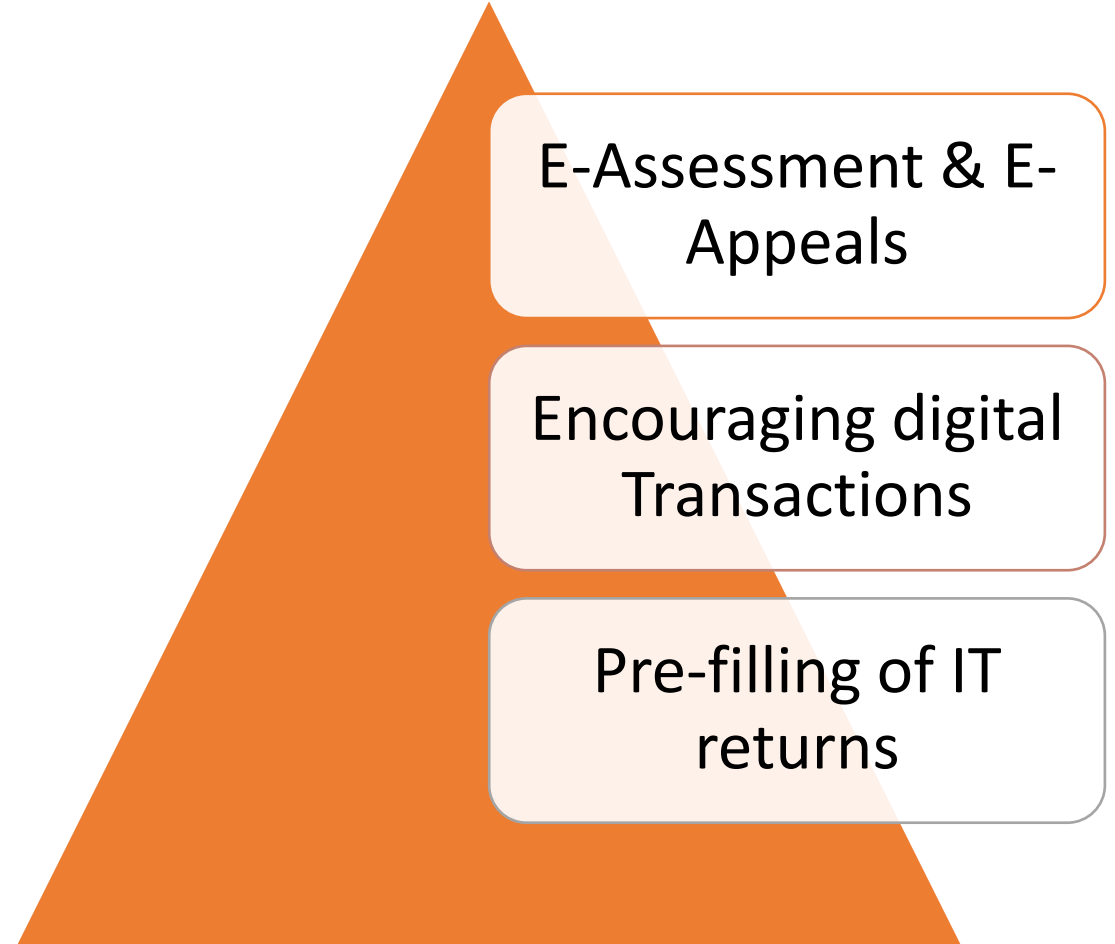
Boost in Manufacturing sector

- 1 China + 1
- 2 Make in India
- 3 Production linked incentive
- 4 Start up India
- 5 Robust exports demand

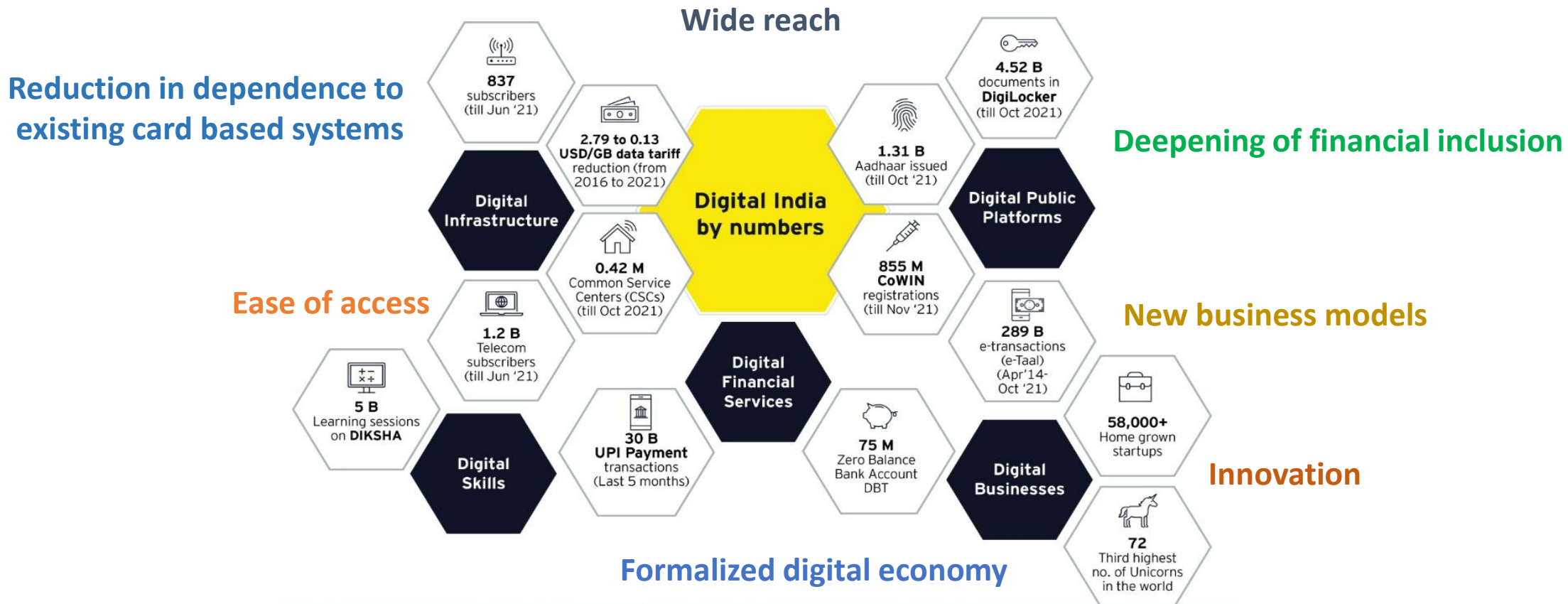


Taxation

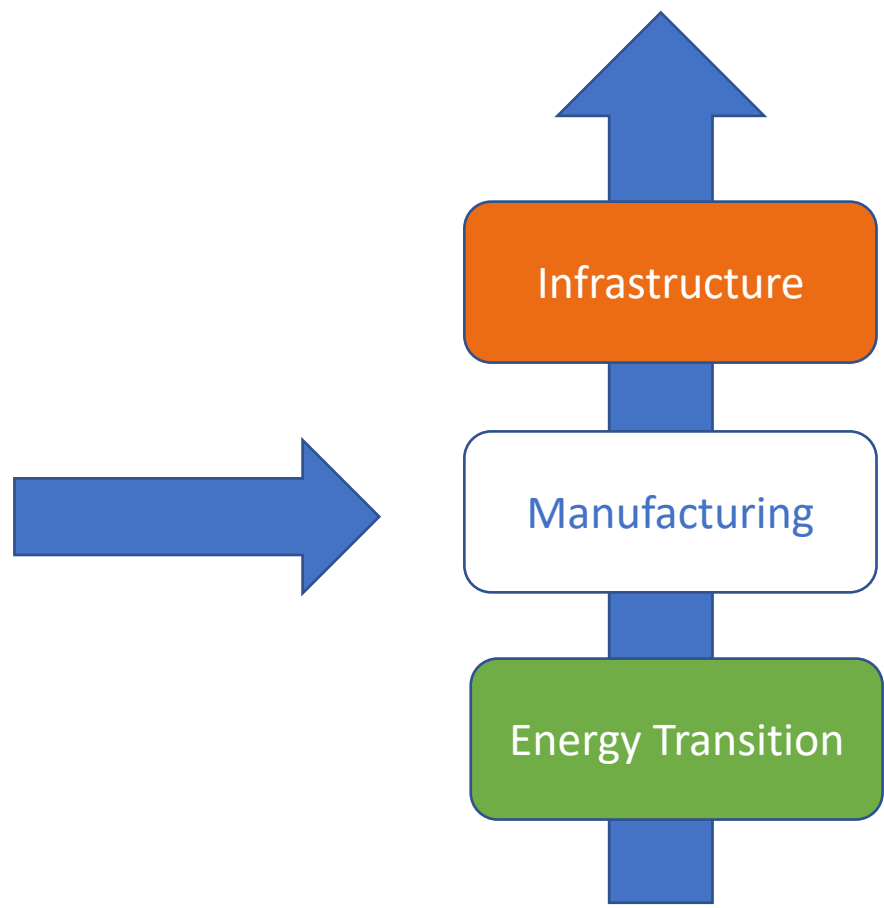
- 1 Reduction in corporate tax to 22% /15% for start ups
- 2 Goods and Service Tax
- 3 Insolvency and Bankruptcy Code
- 4 RERA Act



Digitization



Increase in budgeted capital expenditure

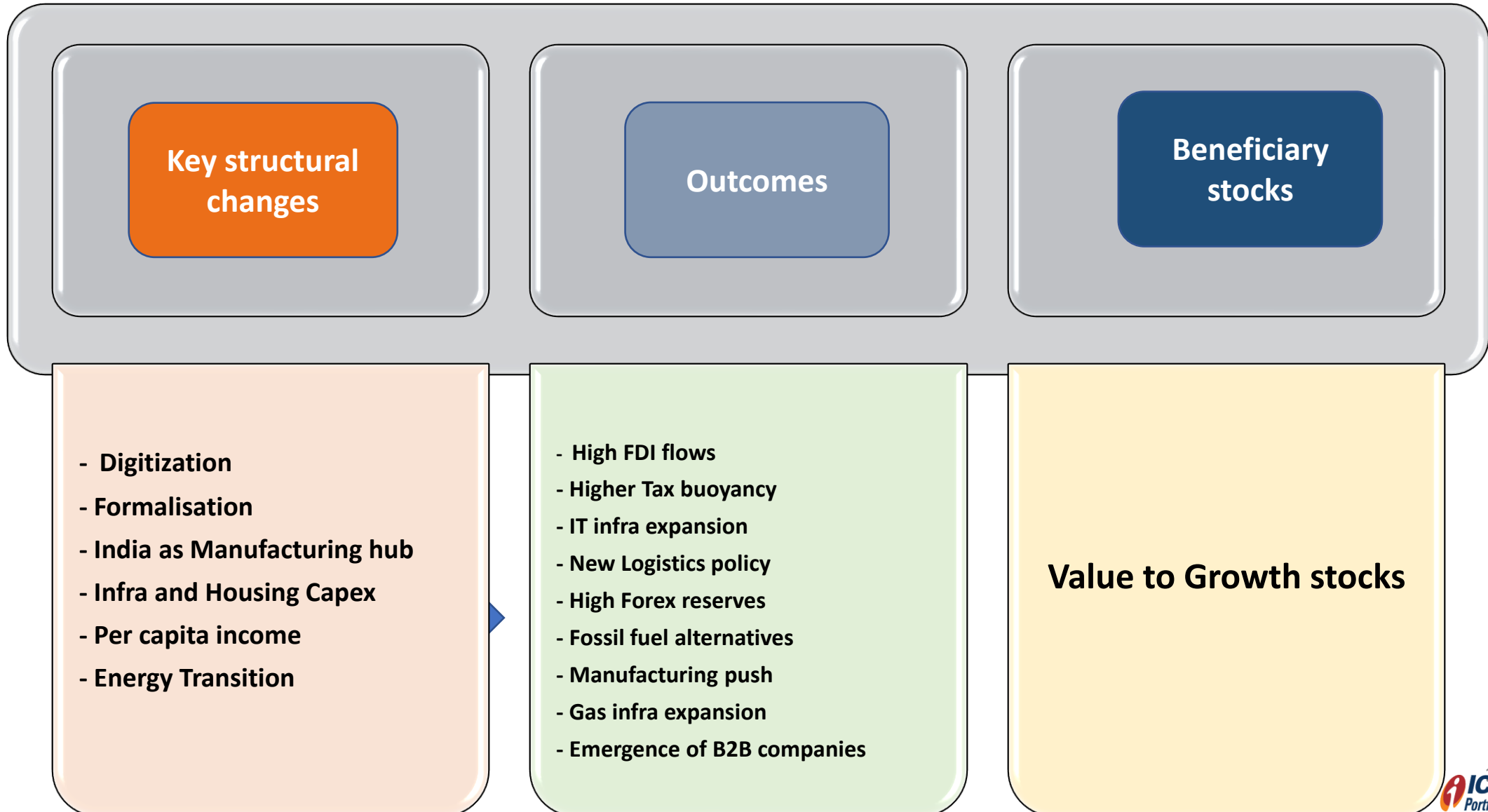


Key Beneficiaries



***Ace Equity
Portfolio &
Themes***

Stock picking in Growth themes



Value to Growth – key benefits

Value to Growth Stocks are those which are seeing EPS turnaround due to major growth push through Government expenditure, Private capex, Housing revival, etc

1

Structural
turnaround in
earnings

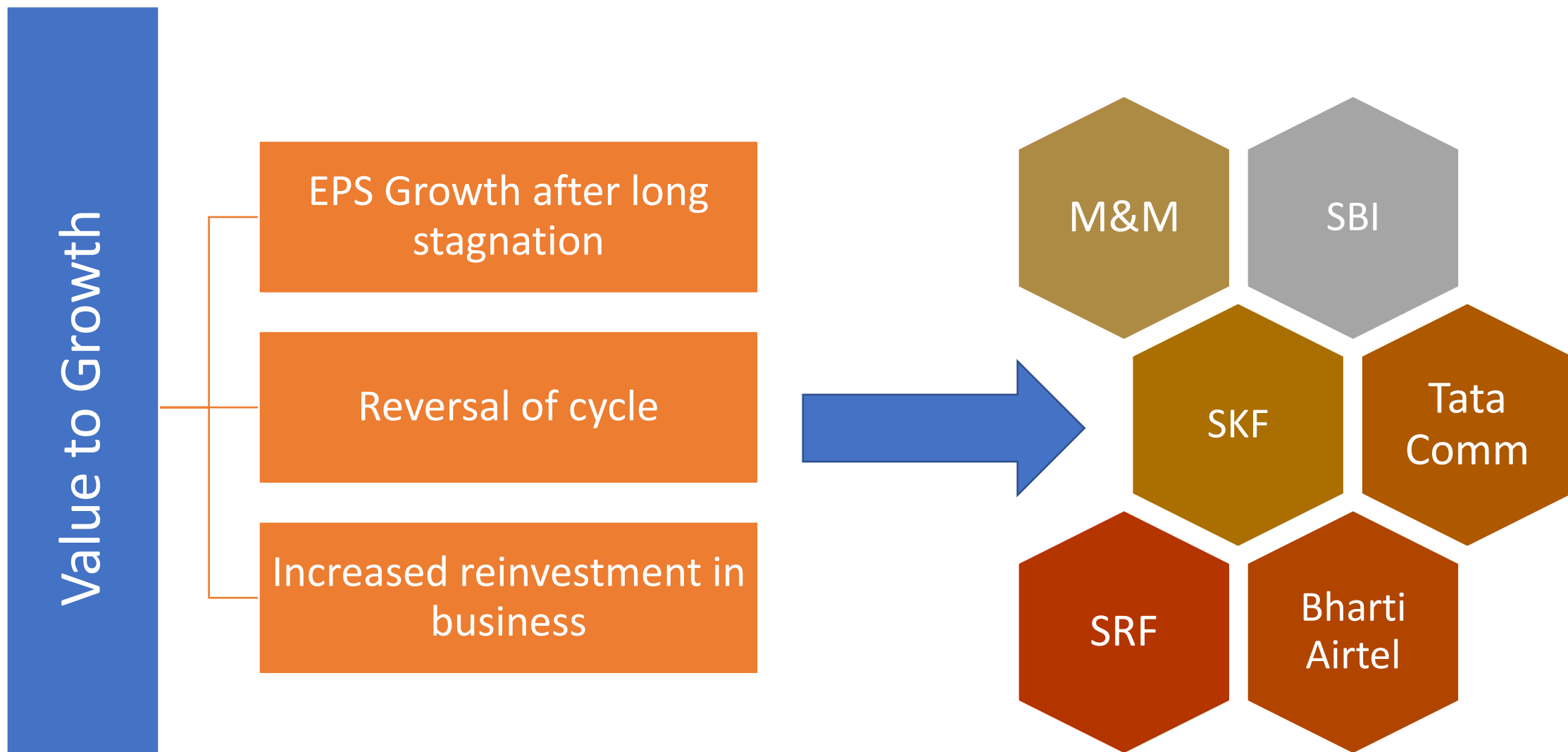
2

Potential of 30-
35% of CAGR
growth for next
8-10, where
govt. exp. Is
increasing

3

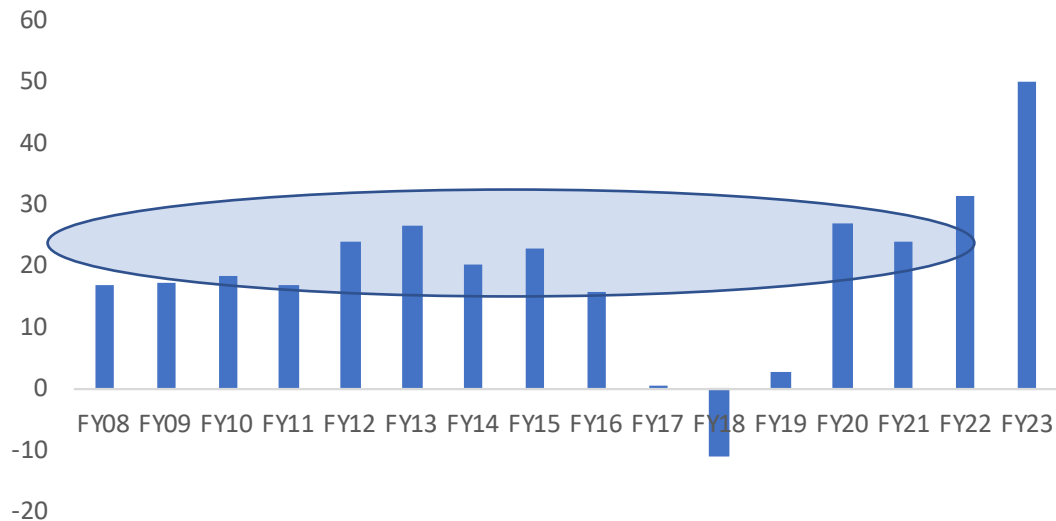
Increasing PAT
& Controlled
P/E

Ace Equity : Value to Growth components



Value to Growth: Stocks with EPS Turnaround

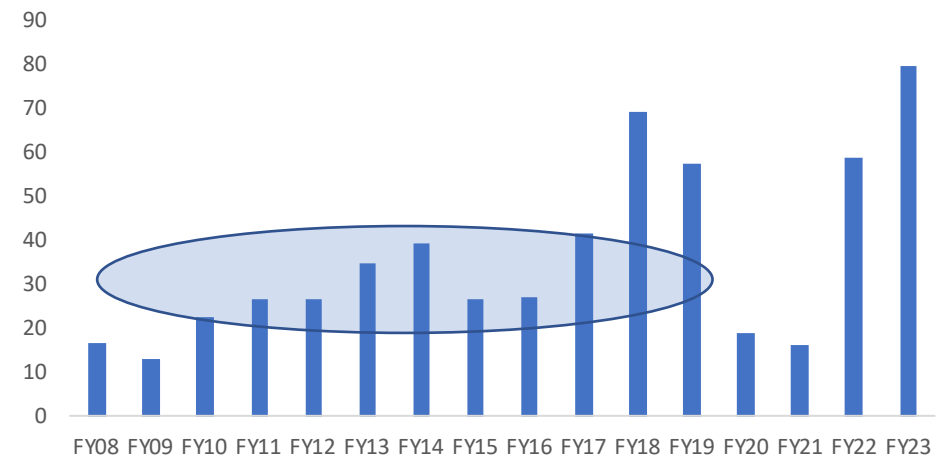
SBI



Major triggers

- ✓ NPAs at multi year lows
- ✓ Advance growth has major scope of revival due to private capex emerging
- ✓ Improving return ratios with RoE at 14% and RoA at 0.8%, offer long term visibility for the stock
- ✓ We expect RoA to reach the 1% mark in FY24
- ✓ 76% PCR and valuation at 1x provides further comfort

M&M

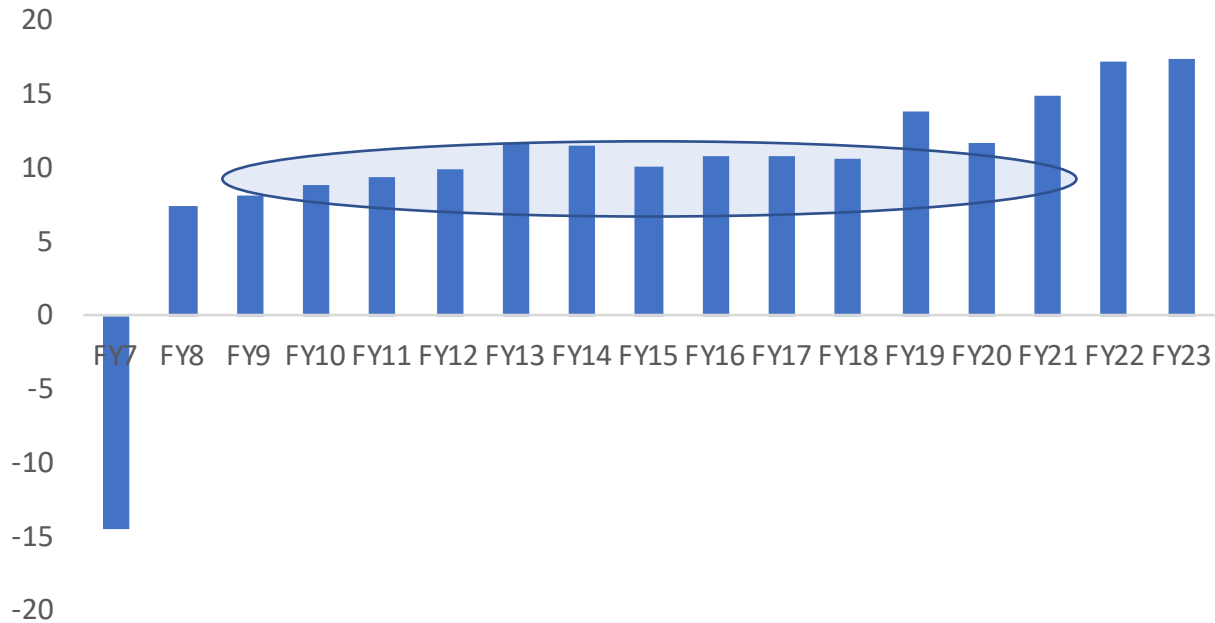


Major triggers

- ✓ Efficient capital allocation (vision for >18% RoCE at consolidated level) and aggressive EV launch pipeline are structural positives.
- ✓ International subsidiary losses of Rs. 3300 cr. are almost totally erased
- ✓ Market share in SUVs has increased significantly when SUVs have 50% market share in overall PVs

Value to Growth: Stocks with EPS Turnaround

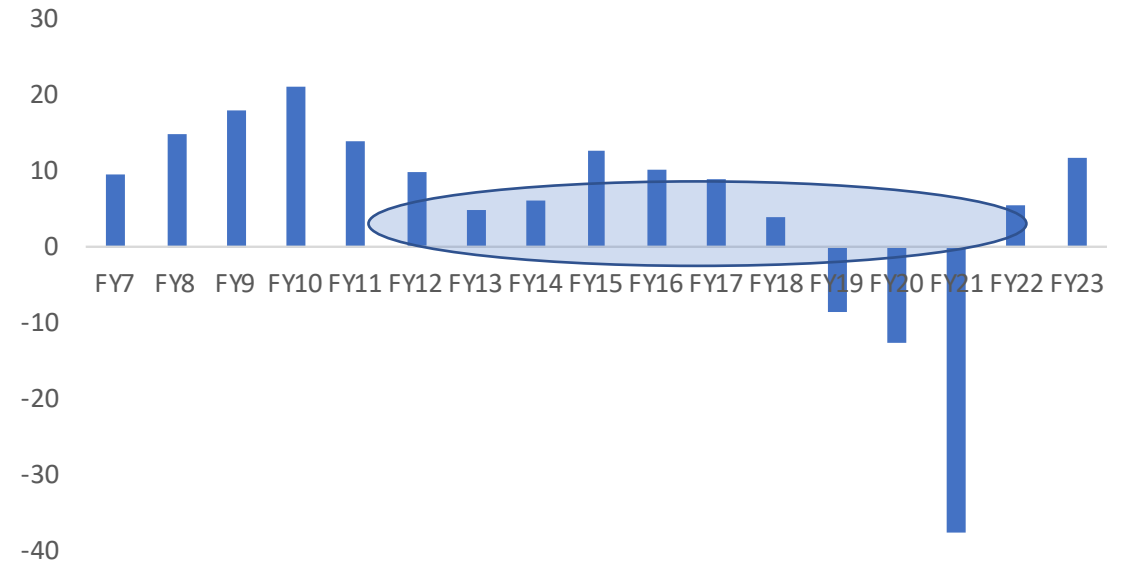
NTPC



Major triggers

- ✓ Peak Power demand is on upward trajectory in India
- ✓ Visibility of 6-7 GW p.a. increase in capacity is strong
- ✓ Move into renewable energy can lead to rerating
- ✓ Government's push to reform SEBs (losses down 45%) is a key positive at margin

Bharti Airtel

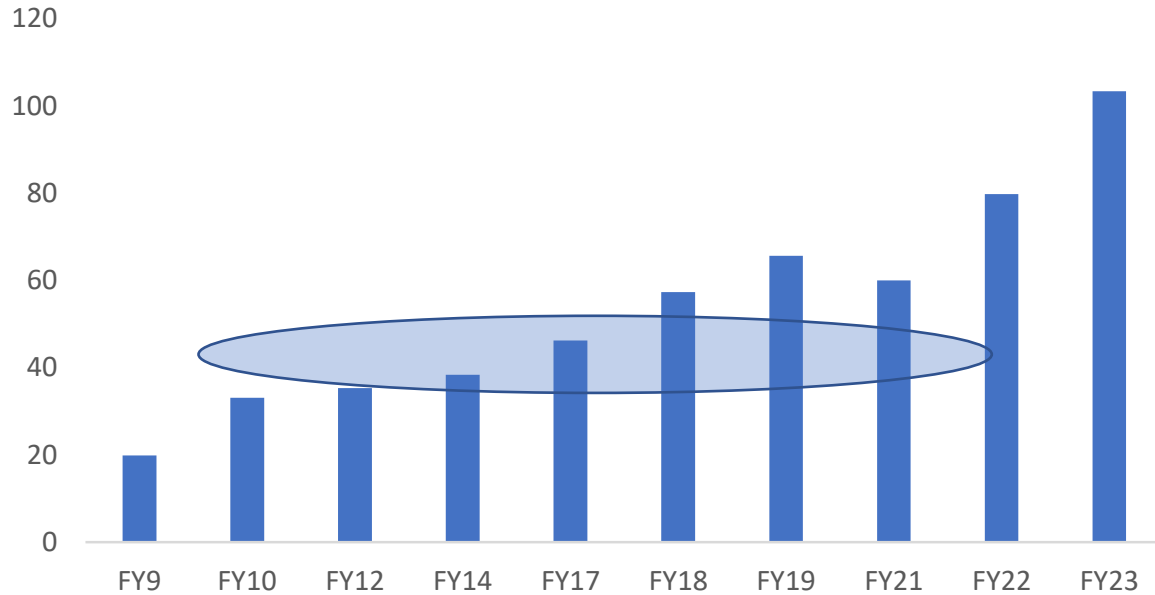


Major triggers

- ✓ FCF of Rs. 400 bn is expected in coming two years
- ✓ 5G rollout in is even faster than developed markets
- ✓ Airtel Africa EBITDA has grown >2.5x to US\$2.5bn in FY23E since FY18
- ✓ Focus on increasing ARPUs would lead to major growth

Value to Growth: Stocks with EPS Turnaround

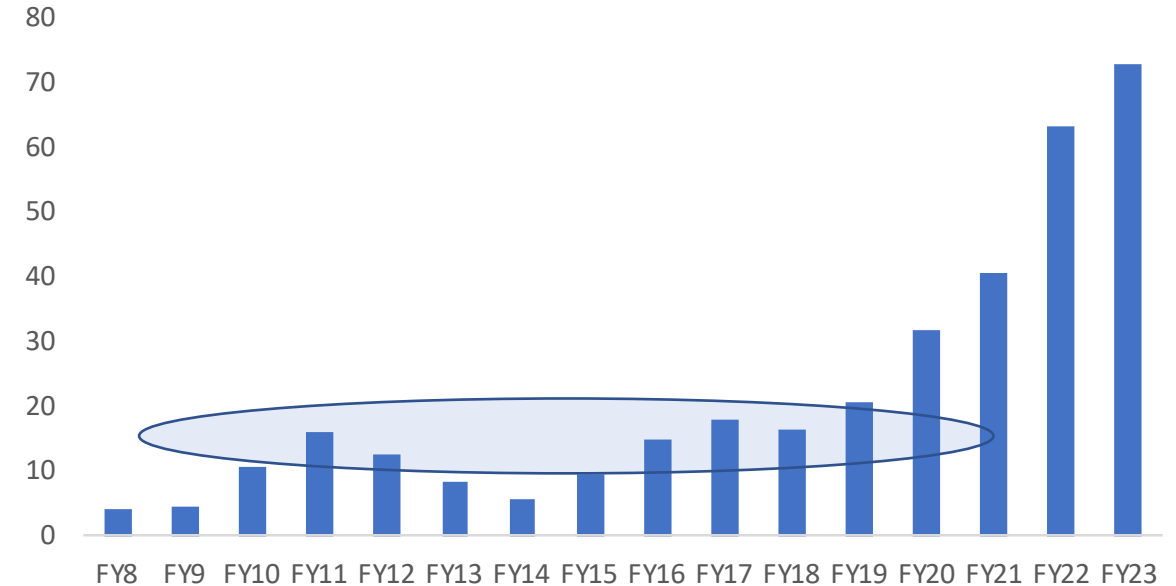
SKF



Major triggers

- ✓ Have got approval for Class K and Class E bearings for railways freight wagons, which have seen highest capex growth
- ✓ SKF has been focussing more towards innovation and R&D and leading to indigenisation in industrials segment.

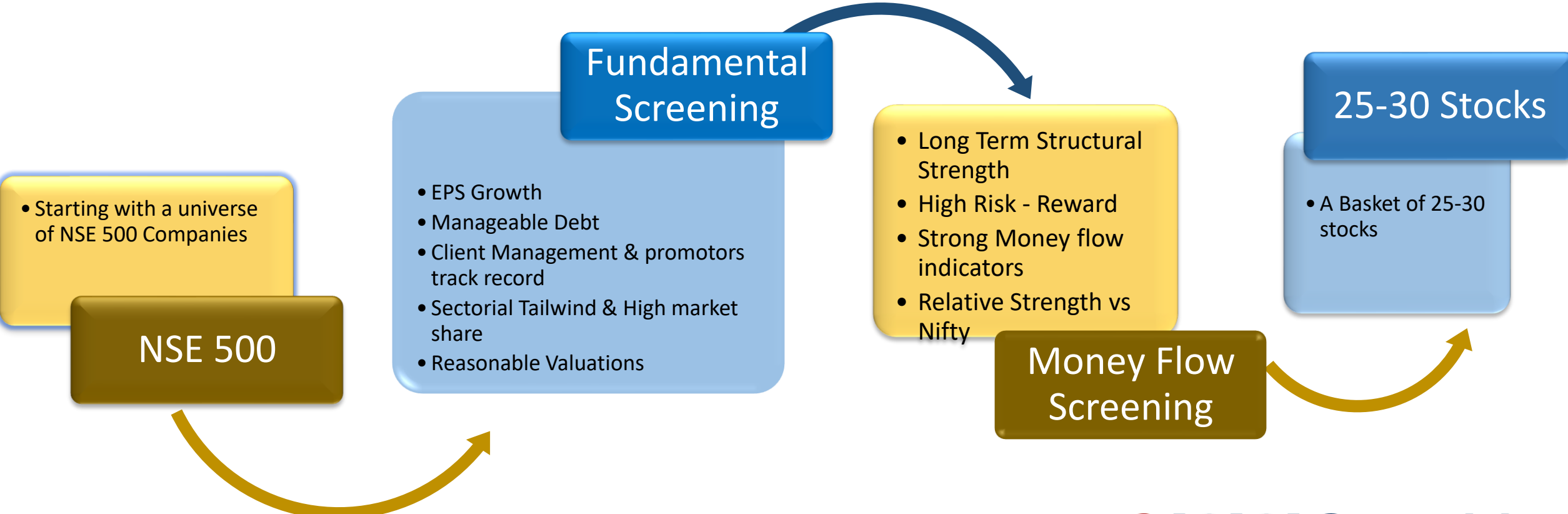
SRF



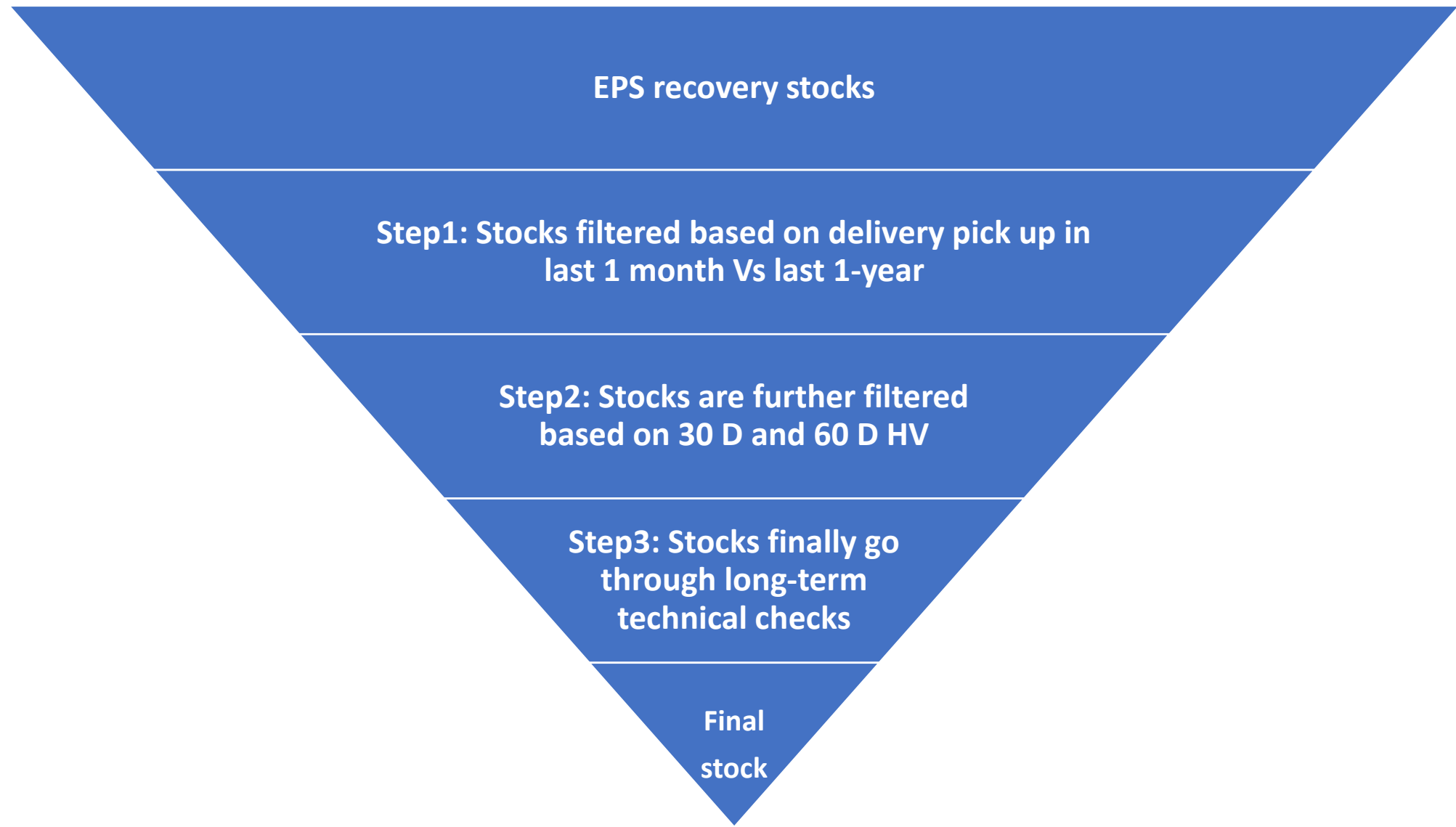
Major triggers

- ✓ 20%+ CAGR growth in fluoro chemicals expected
- ✓ Venturing into PTFE through backward integration of R22
- ✓ Bottoming of Auto cycle and lower crude prices have led to recovery in tyres and thus in technical textiles.
- ✓ Also packaging business will see sustainable margin expansion with lowering crude prices

Stock Selection



I Sec money flow model for the final stock filtration

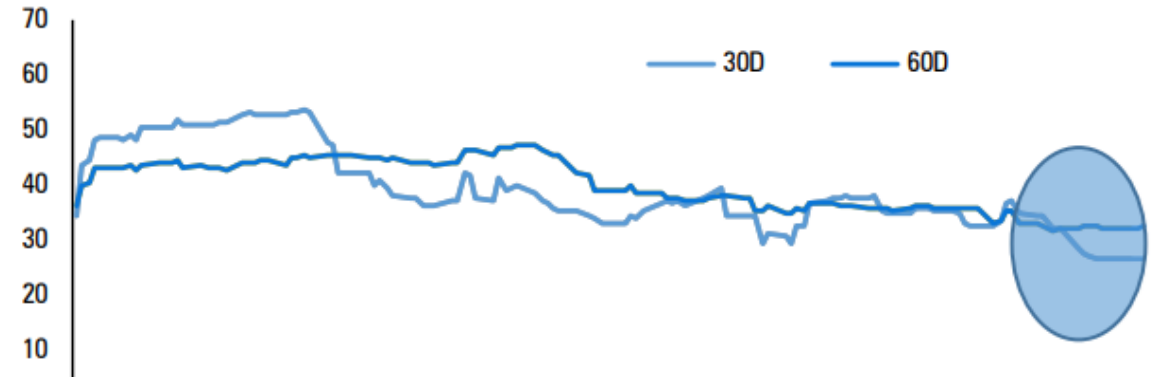


I-Sec money flow model for the final stock filtration

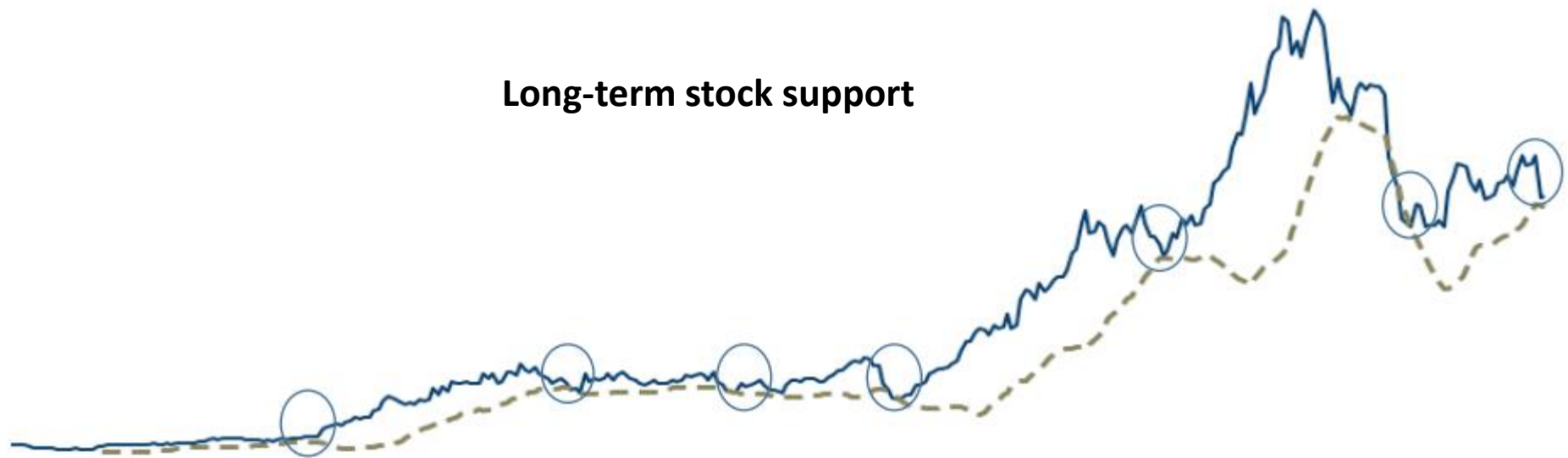
Higher Delivery Z-score



Lower HV trend



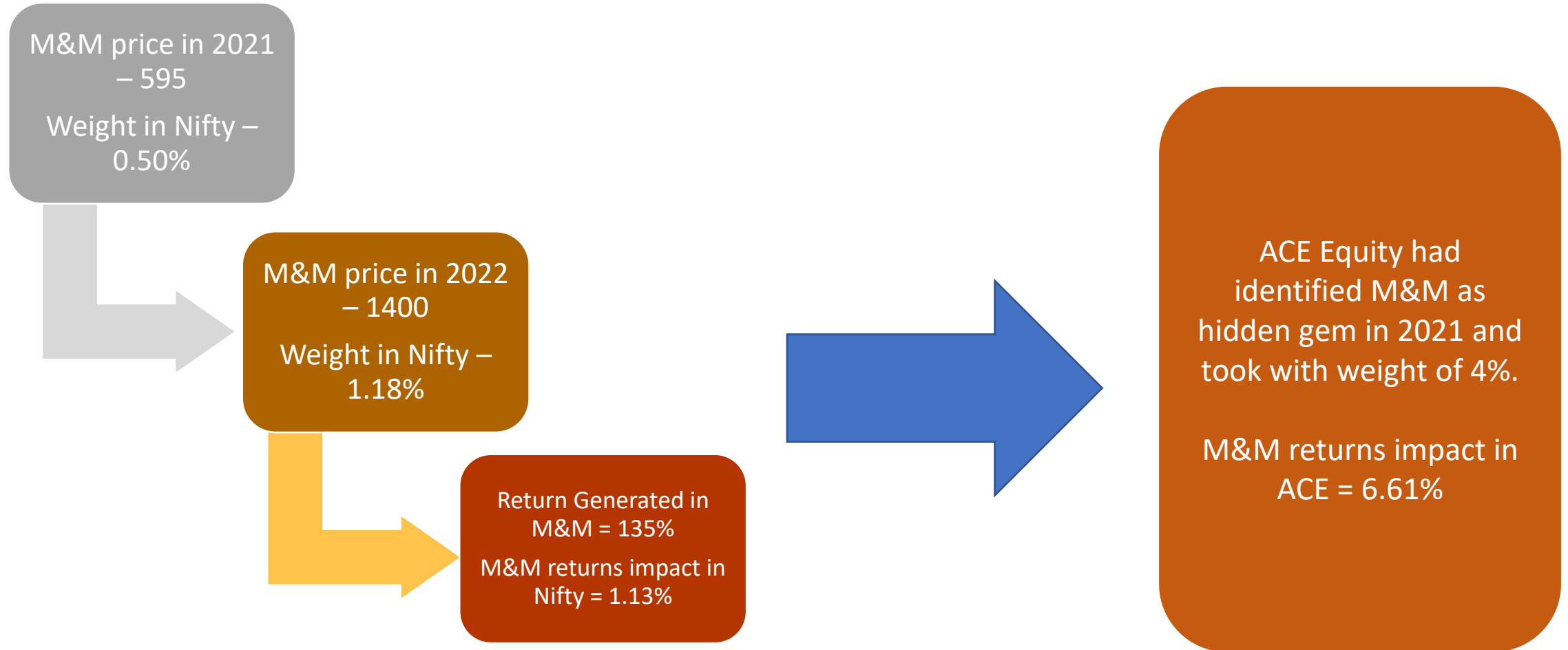
Long-term stock support



ACE Equity – 6 ways to success

- 1 Value to Growth stocks with turnaround in Earnings
- 2 Use of ISEC money flow model to pick the timely winners
- 3 Higher allocation to the hidden gems of Nifty
- 4 Optimal diversification which manages concentration risk and alpha potential
- 5 A portfolio offering high Earnings Growth and high ROE
- 6 A portfolio composed of industry leaders ensuring a safe journey to capital appreciation

Hidden Gems of Nifty : Safety with high returns



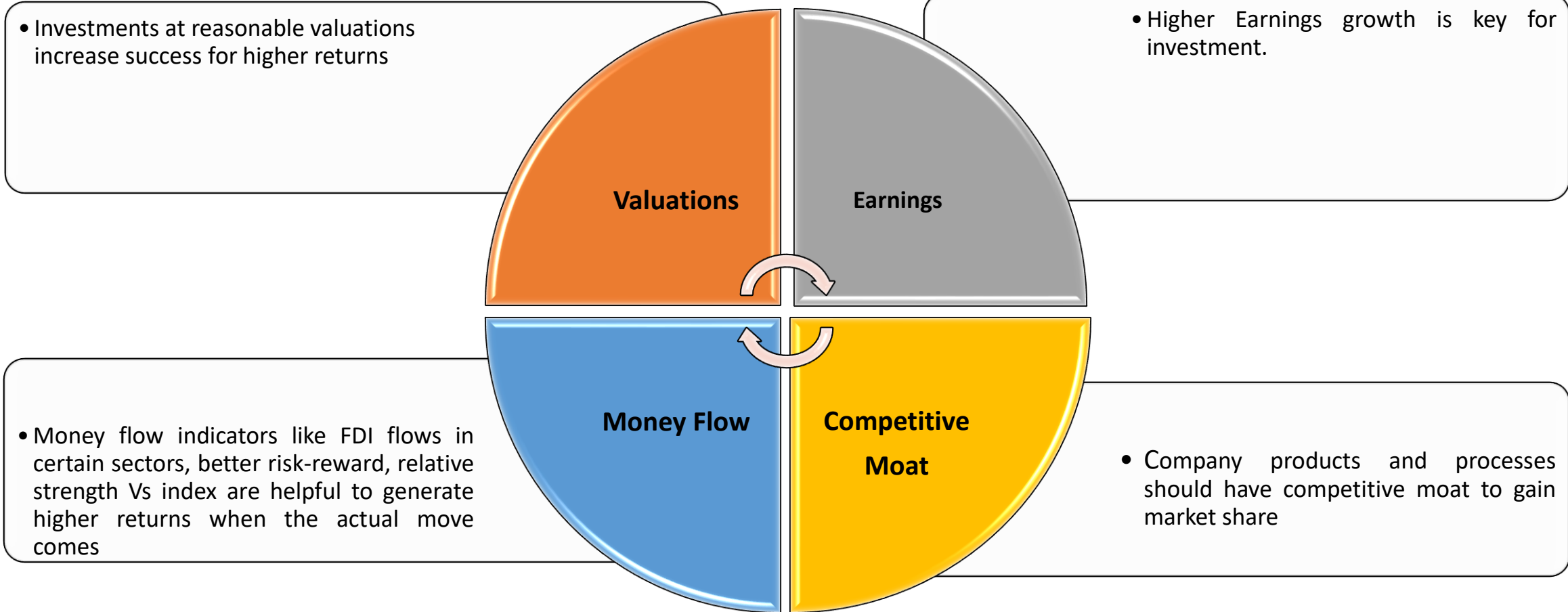
Major Themes for investment





Investment Philosophy

Investment Philosophy - VEMC



Ace Equity : Why Market Leaders?

Increase market share in tough times

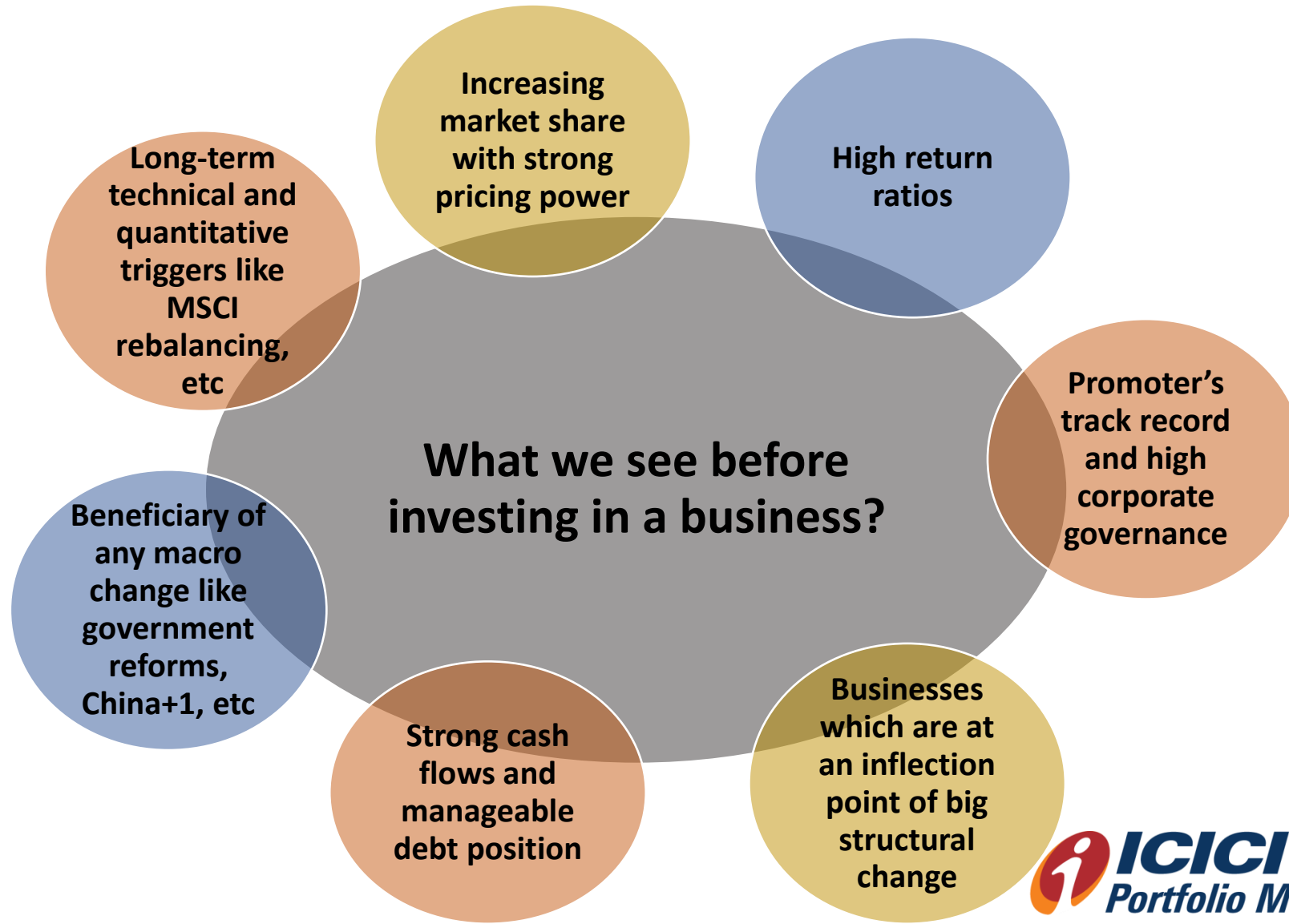
Superior product profile

Access to lower cost of capital

Ability to pass on cost & high bargaining power

Strong multi year structural growth

Investment criteria - What we consider in a portfolio



Investment criteria – What we avoid in a portfolio

Companies with weak return ratios

Not prudent in capital allocation

Entering into non-core businesses

Promoter's engaged in building their own wealth

Companies with poor corporate governance

History of siphoning of cash

Low transparent structure

Manipulation in stock prices

Companies involved in sectors where new technology can capitalize in coming years

Avoid the company if no willingness of change.
In fact better to enter when things settle down.

Strategy Track Record of Multi Baggers

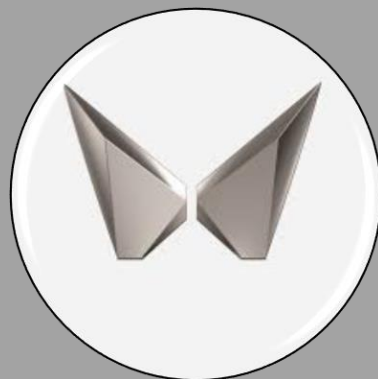


SRF is an Indian multi-business chemicals conglomerate engaged in the manufacturing of industrial & specialty intermediates.

Avg. Cost – 880.53

Market Price – 2600

Gain – 195.28%



Mahindra & Mahindra Limited is an Indian multinational automotive manufacturing corporation.

Avg. Cost – 596

Market Price – 1300

Gain – 118.10%



ICICI Bank Limited is an Indian multinational bank and financial services company.

Avg. Cost – 417.45

Market Price – 900

Gain – 115.59%



Bharti Airtel is an Indian multinational telecommunications services company.

Avg. Cost – 457.4

Market Price – 800

Gain – 74.90%

Fund management team

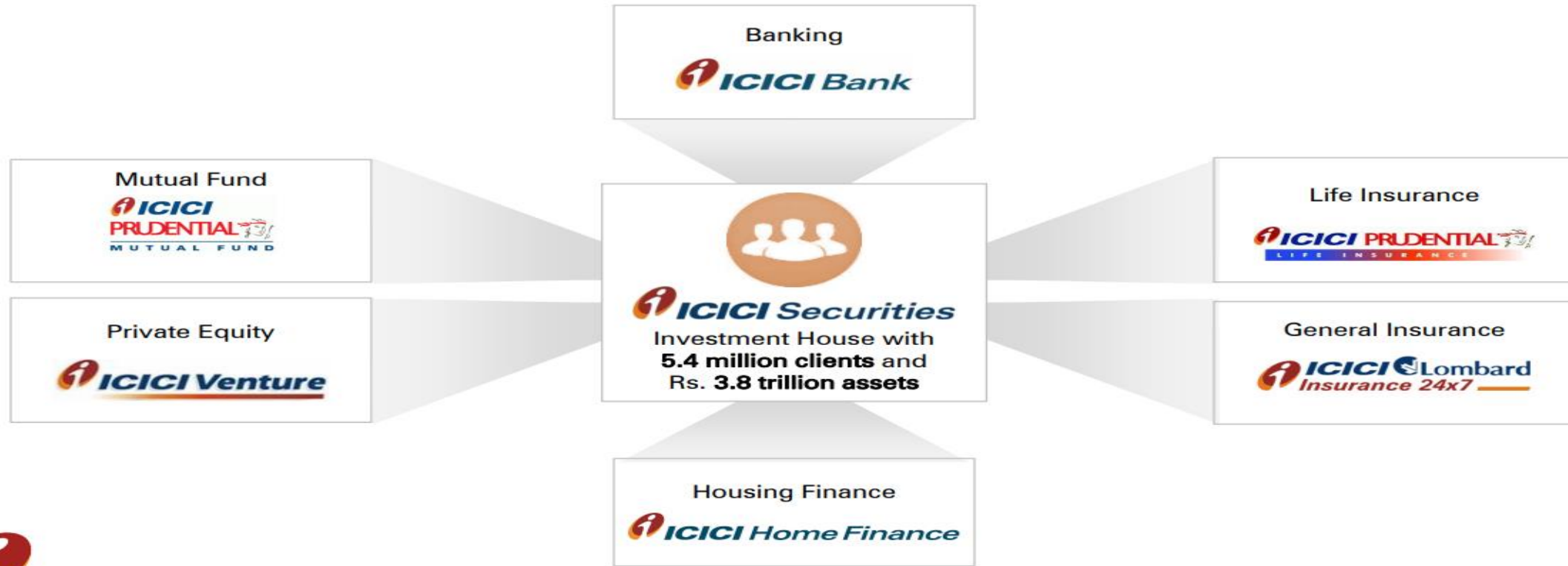
<p>Piyush Garg – Chief Investment Officer</p>	<ul style="list-style-type: none"> - Over 23 years of experience in Indian financial markets - Fixed income, Equities and Currencies & US bonds. - Invited as spokesperson in various seminars in India and abroad on Global and domestic macro economics. - Awarded ‘Master Exemplar’ by ICICI Group for 3 consecutive years 2016, 2017 & 2018 for outstanding contribution - Have been successfully managing funds in various asset classes for the last couple of decades with strong macro-economic approach. - Regularly gives his opinion on fund flows, macros, various indices on prime channels like CNBC, ET Now, etc - MBA from IIM Kolkata
<p>Amit Gupta – Principal Officer and Fund Manager</p>	<ul style="list-style-type: none"> - Over 2 decades of experience in Financial markets with Research expertise in Equity, Currency and Commodities. - Won the India’s Best Analyst Award in the year 2012 and 2014 from the erstwhile President of India - Was on the advisory panel of NSE for the launch of new Derivatives products - Have attended seminars as spokesperson across India and abroad for the comprehensive coverage on Equity markets. - Handled the FIIs desk in Hongkong for ICICI Securities - Gives his opinion on Equity markets on prime channels like CNBC, ET Now, etc - Gold medalist in Mechanical Engineering from Bangalore university and MBA (Finance) from IBS Hyderabad
<p>Tejas Kadam – Fund Manager</p>	<ul style="list-style-type: none"> - Over 10 years experience in Quantitative, Smart Beta (Factor), Passive and ESG strategies - Previously worked with Goldman Sachs Asset Management and MSCI (a leading index provider) - An Electronics and Telecommunications Engineer with an MBA (Finance) - Holds the CFA (US) charter since 2015
<p>Vasant Joshi – Portfolio Manager</p>	<ul style="list-style-type: none"> - Have rich experience of 14 years in Financial markets with Advisory expertise in Direct Equity. - Managing entire GPC clients of ICICI Bank. - MBA Finance from IMED PUNE.



About ICICI Securities

 **ICICI Securities**
Portfolio Management Services

ICICI Securities : A Specialist Wealth Management & Equity Broking Franchise



ICICI Group – A leading financial institution in the country

Business Highlight (ICICI Securities) - Total client assets on the platform during the quarter touched ₹6 lakh crore, out of which ₹3.2 lakh crore pertains to its 76,000 plus private wealth customers, comprising of HNIs, U-HNIs, and Family Offices

Awards

Best Wealth Management Provider - India - 2021
By World Finance, Wealth Management Awards 2021-22

The Best Securities House in India
By AsiaMoney Best Securities Houses Awards 2021

Best private bank - India
Finance Asia Country Awards, 2022

'National CSR Award in Financial Services Sector'
By 'Global Safety Summit Awards'

Best Wealth Management Platform Of The Year
Quantic Annual Bfsi Technology Excellence Awards 2022



'Best Content Digital Marketing Campaign'
By 'Investonomics at Digital Dragons Awards, 2021'

Best Domestic Private Bank - India
Asian Private Banker, Awards for Distinction 2021

'Digital Wealth Manager of the year- India'
By 'The Asset Triple A Digital Awards 2022'

Research team secured #1 position in 4 sectors in
Asiamoney poll

Company Advisor of the Year'
By 'Franklin Templeton at Perspectives Awards, 2021'



1. Assets of our clients including equity demat assets maintained with ICICI Bank and excluding promoter holding
2. Yield generated on all the assets of our clients (assets include their holding value across all product categories e.g. demat holding of equity shares, home loan, FD, mutual fund, PMS etc.)



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Risk Foreseen: The Ace Equity strategy is based on ***5 G Strategy (fundamental parameters) with market agnostic approach. It is Multi-cap framework approach and continues to have concentration and systematic risks. "Please note that performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of 1) the timing of inflows and outflows of funds. 2) differences in the portfolio composition because of restrictions and other constraints." Please visit APMI website www.apmiindia.org under report section to view the performance of other Portfolio Manager.

***5G refers to growing Economy, Sector, Market share, revenue and governance.

Please refer Disclosure Documents and Risk Factors stated therein before investing in Portfolio Management Services.

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