



ISEC Aggressive Portfolio

Value to Growth Approach for identifying mid and small caps

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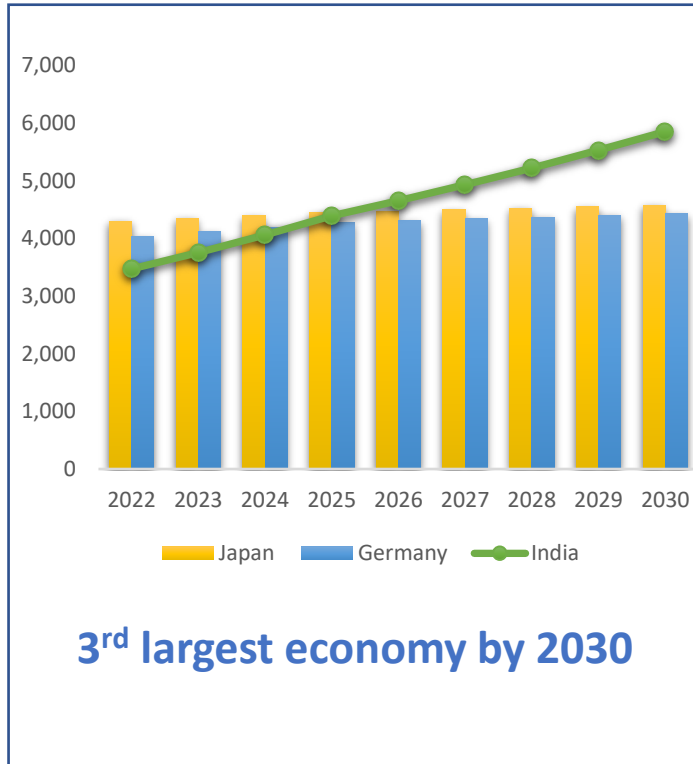
- About ICICI Securities



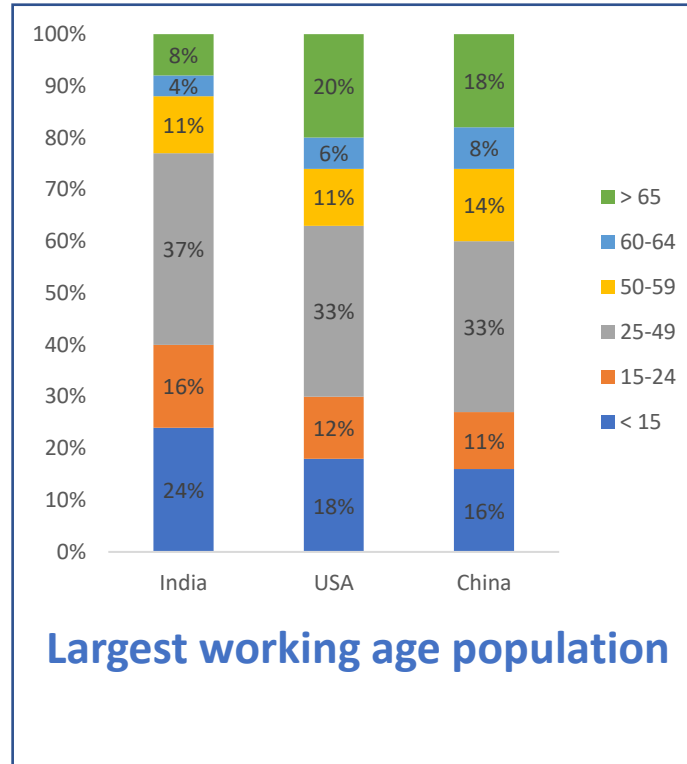
India's Growth Story

India's Major Growth Enablers

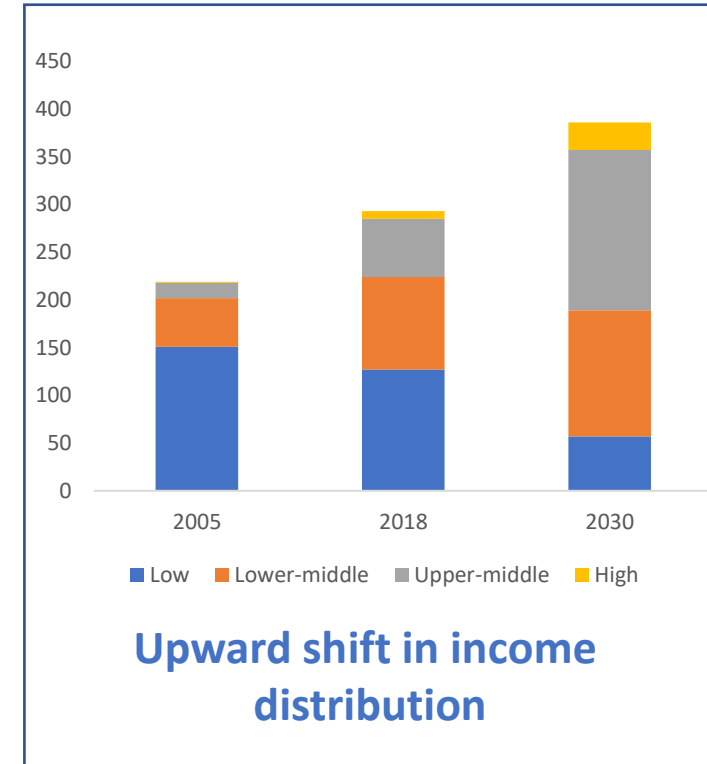
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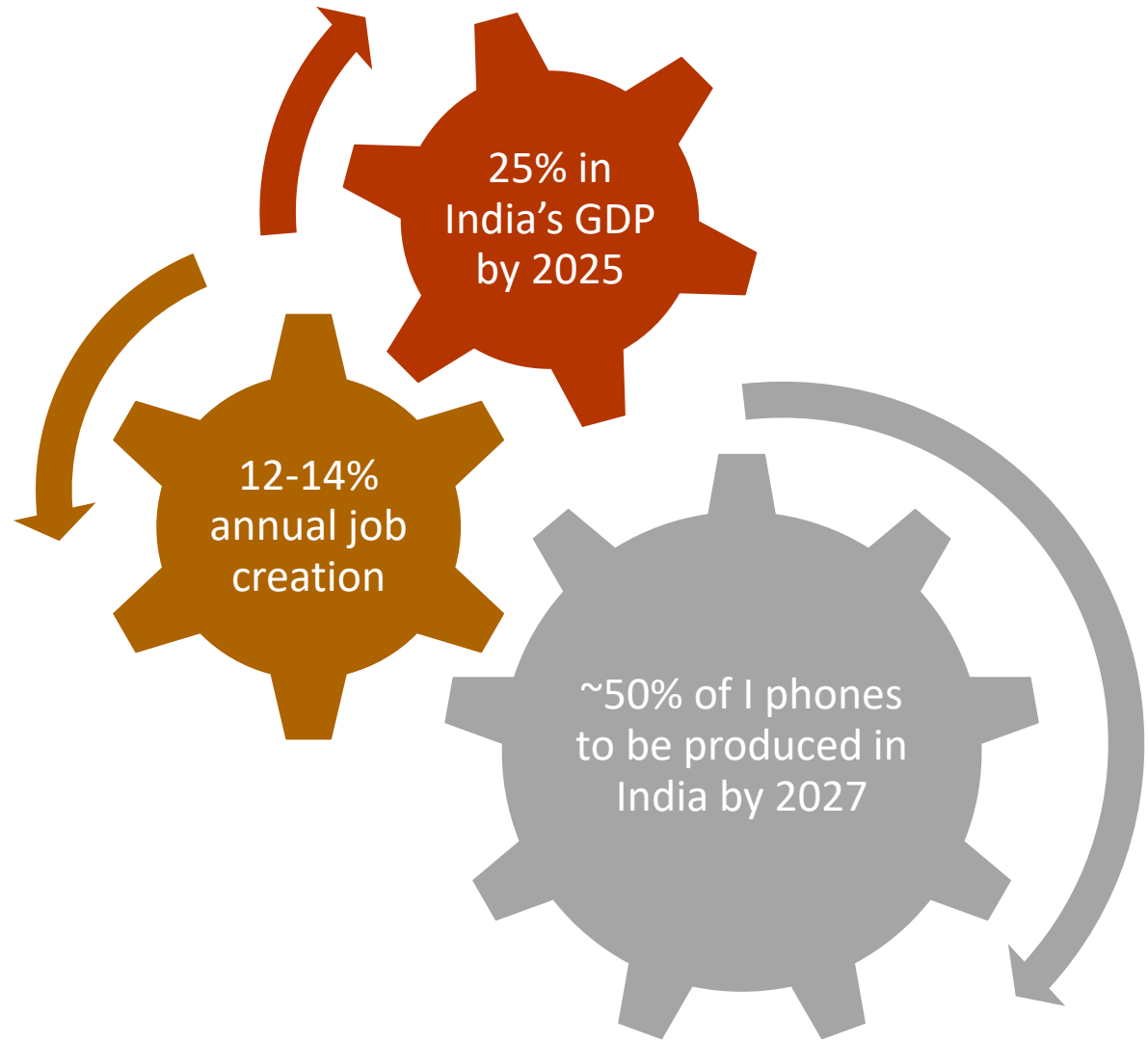


India's Growth story is evolving



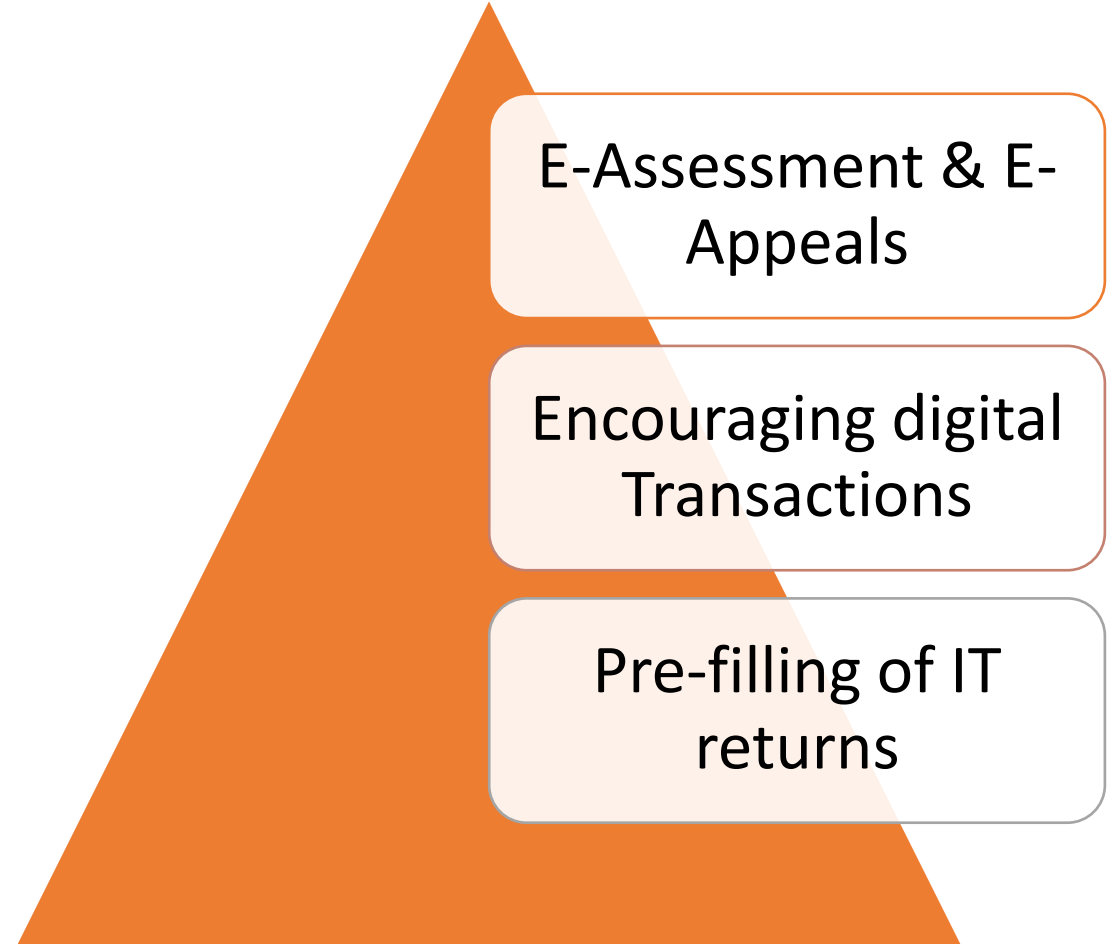
Boost in Manufacturing sector

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

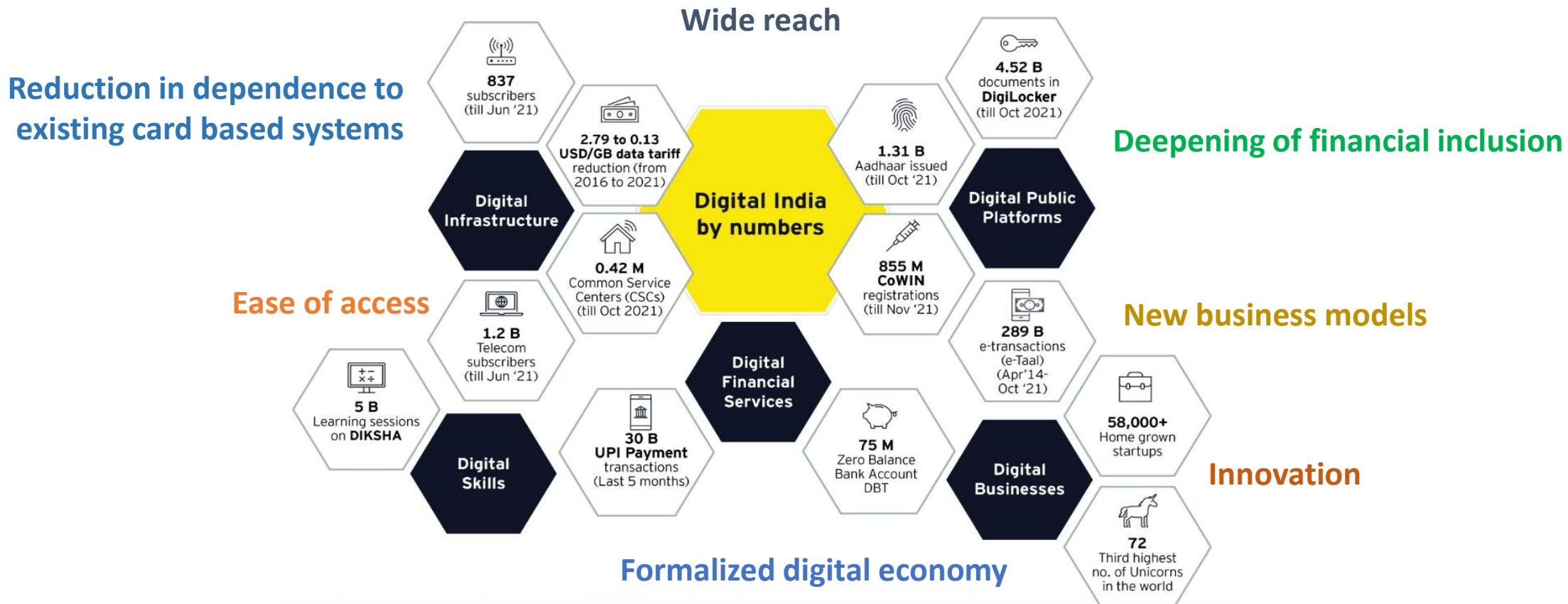


Taxation

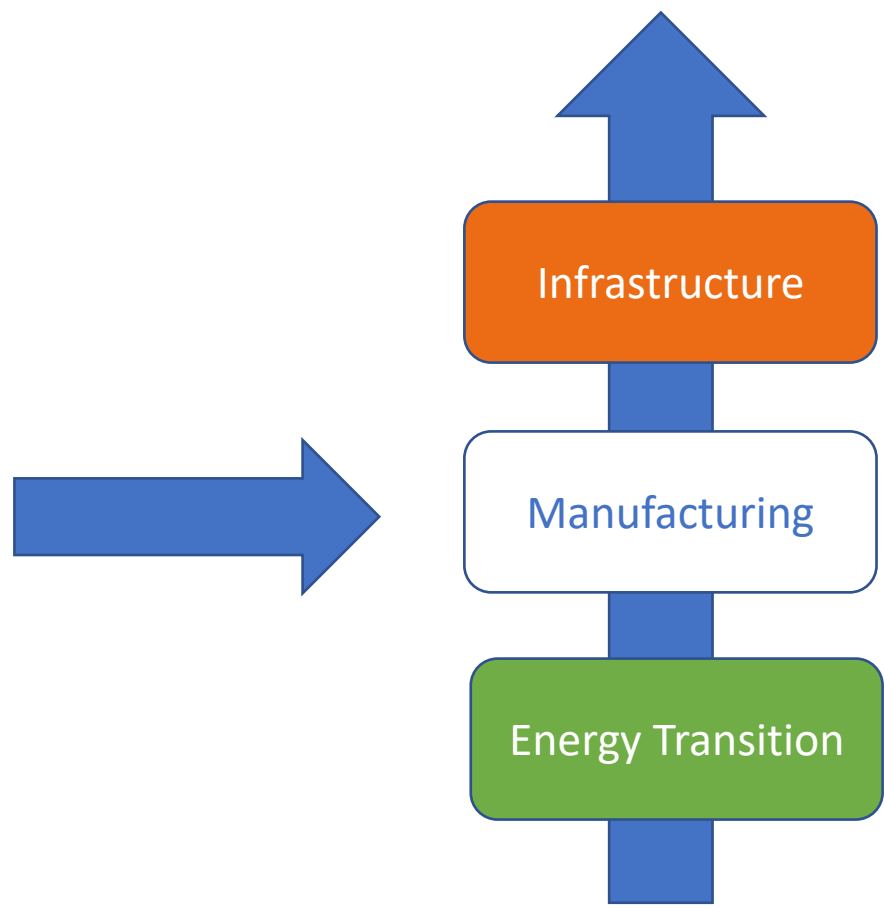
- 1 Reduction in corporate tax to 22% /15% for start ups
- 2 Goods and Service Tax
- 3 Insolvency and Bankruptcy Code
- 4 RERA Act



Digitization



Increase in budgeted capital expenditure

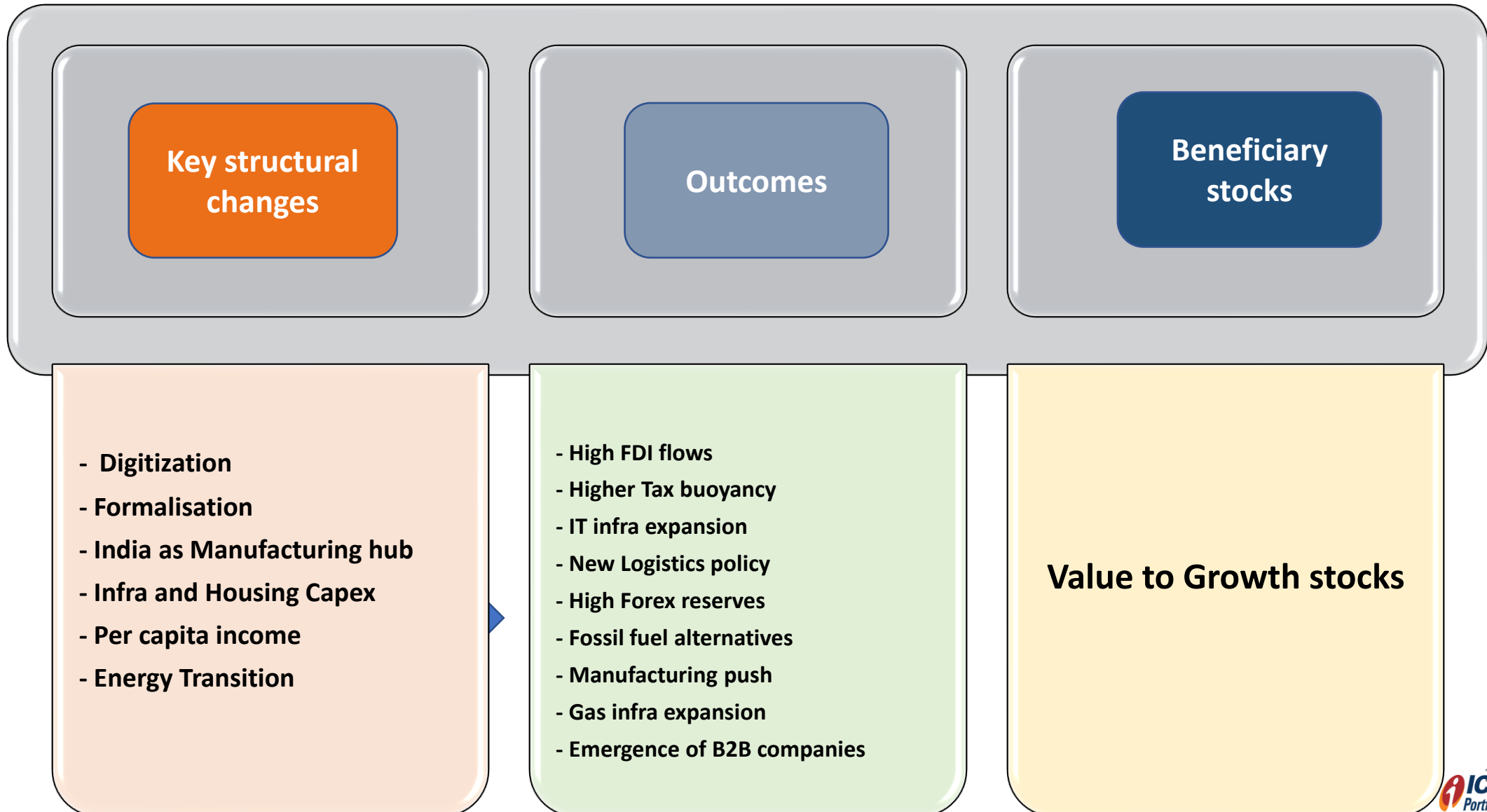


Key Beneficiaries



Portfolio & Key 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

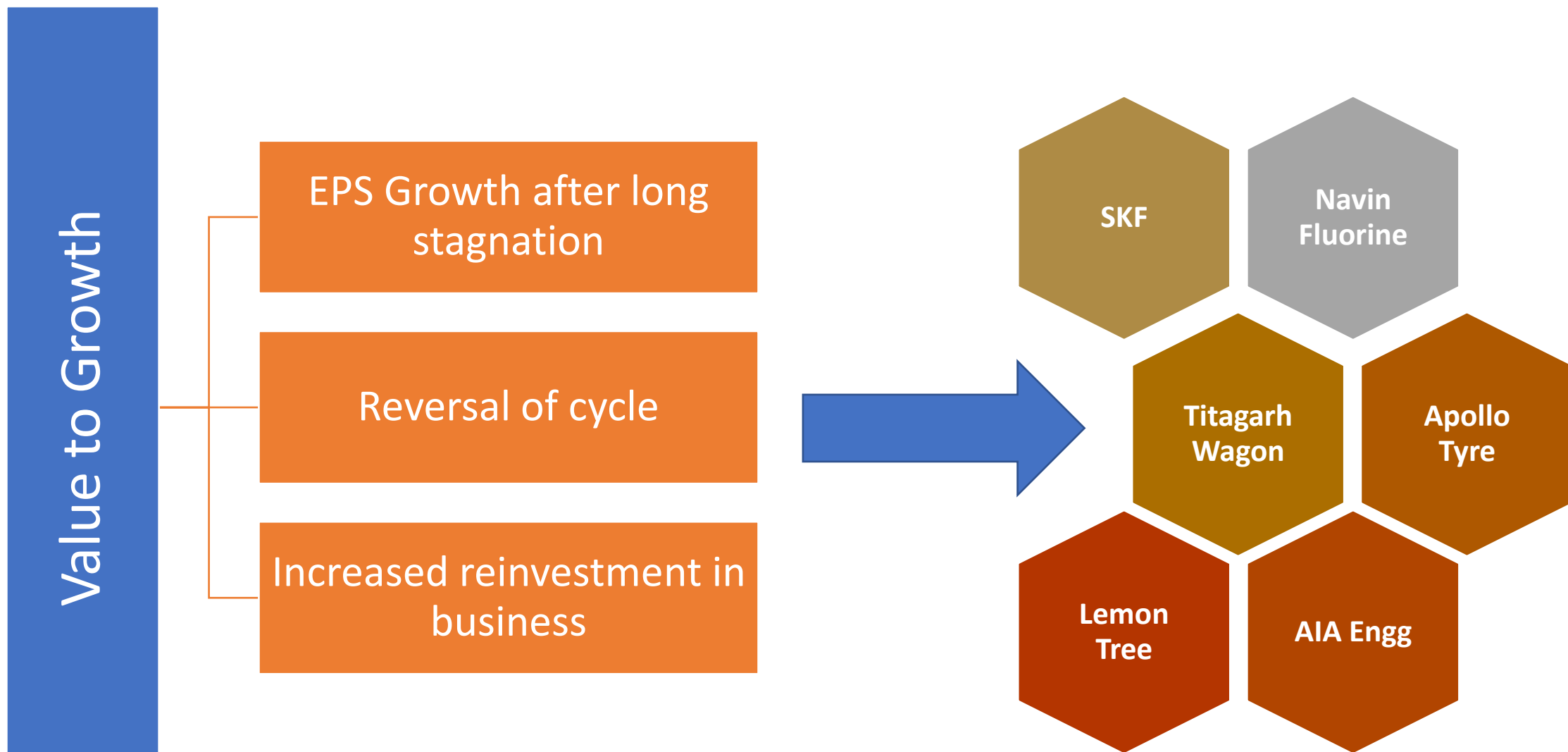
2

Potential of 30-
35% of CAGR
growth

3

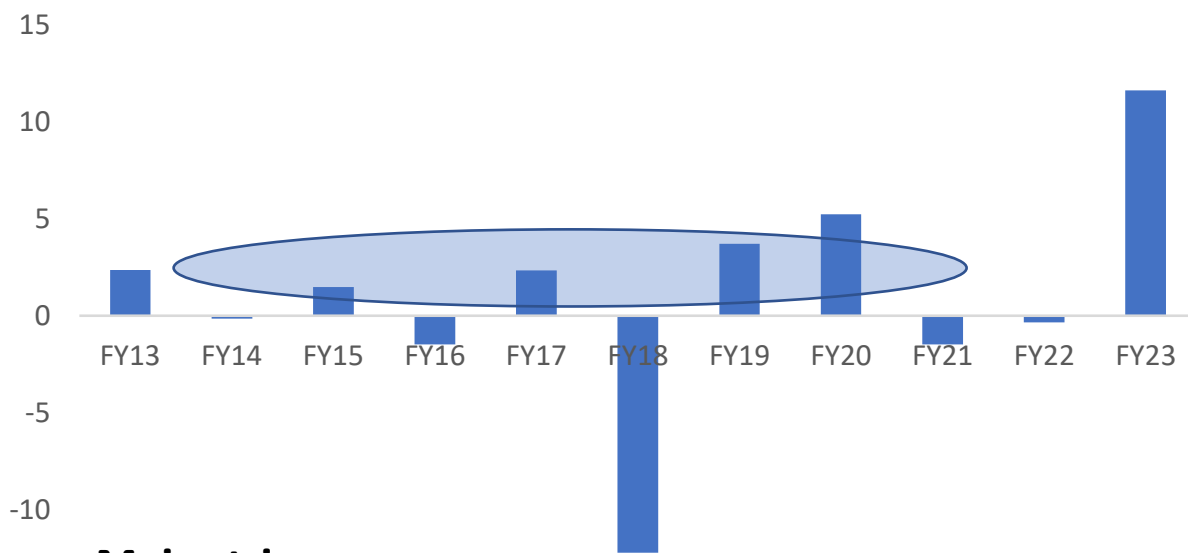
Increasing PAT
& Controlled
P/E

Breakout Portfolio: Value to Growth components



Value to Growth: Stocks with EPS Turnaround

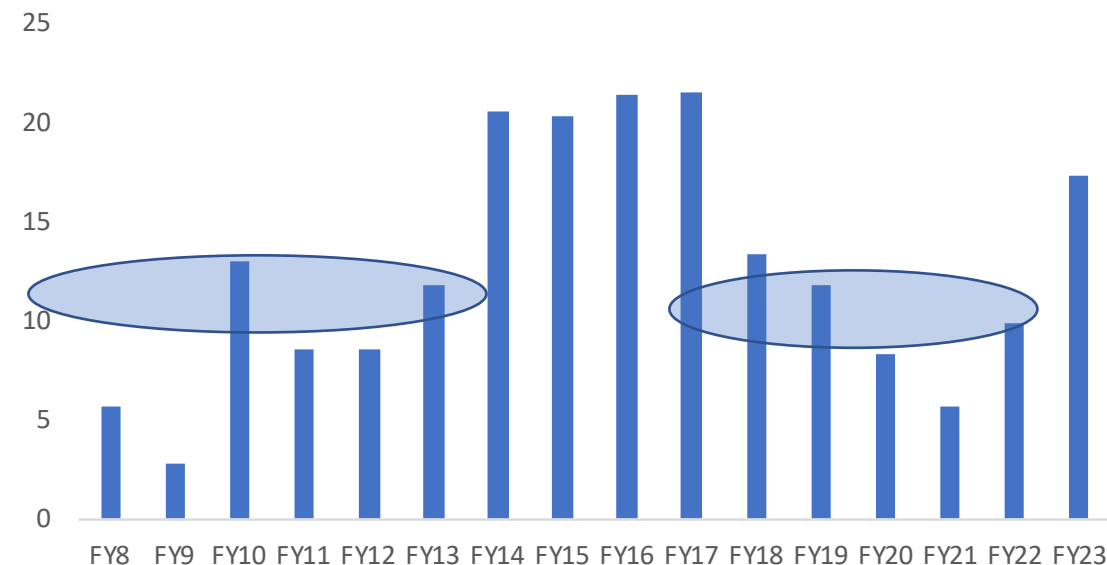
Titagarh Wagon



Major triggers

- ✓ Titagarh Wagon is ramping up its capacities across verticals.
- ✓ Company expects to deliver 5,500 wagons in FY23 and ~8,000 in FY24. Wagon ordering for the private sector is also healthy at 4,000-5,000 per annum (Rs15bn-16bn).
- ✓ TWL-BHEL consortium has been awarded an order for supply of 80 sleeper class Vande Bharat trainsets

Apollo Tyre

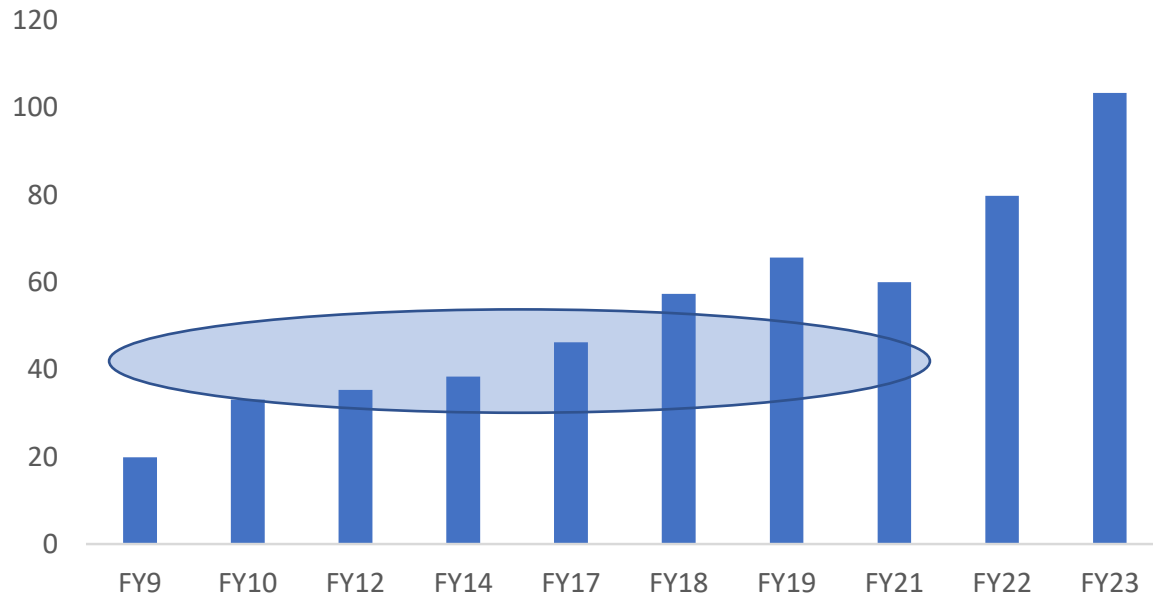


Major triggers

- ✓ Domestically company is expected to benefit from cyclical upswing in the CV space coupled with steady demand in PV domain.
- ✓ With improved profitability levels across India and EU, lower capex needs, we expect APTY to generate FCF of Rs20bn on an average in FY24-25E and enhance RoCE from sub-10% levels till FY22 to ~14.5% by FY25E.

Value to Growth: Stocks with EPS Turnaround

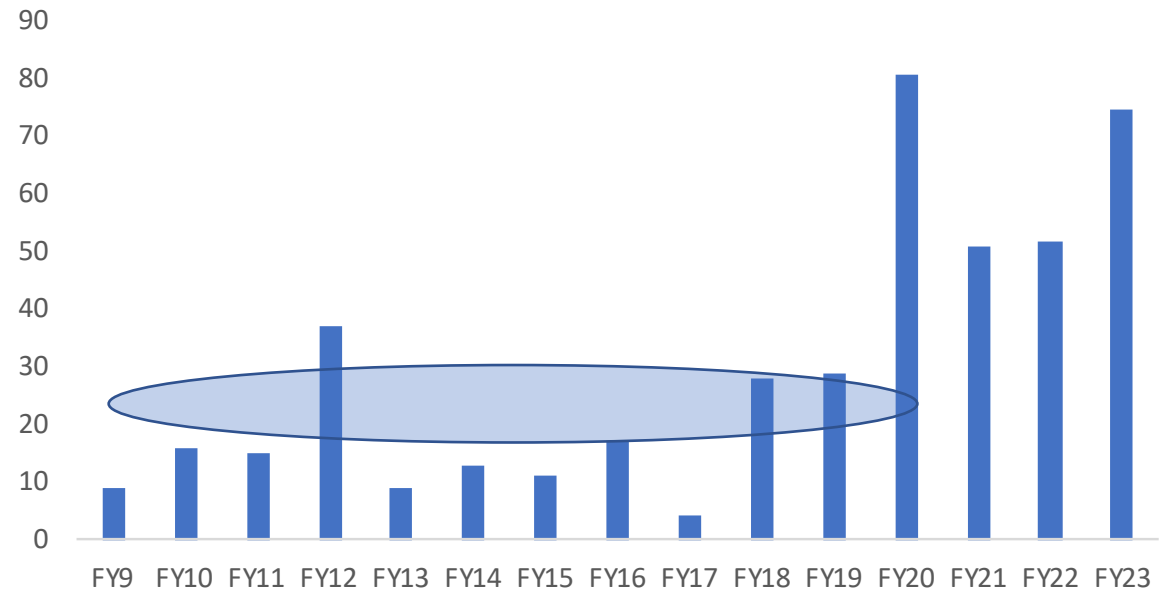
SKF



Major triggers

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

Navin Fluorine

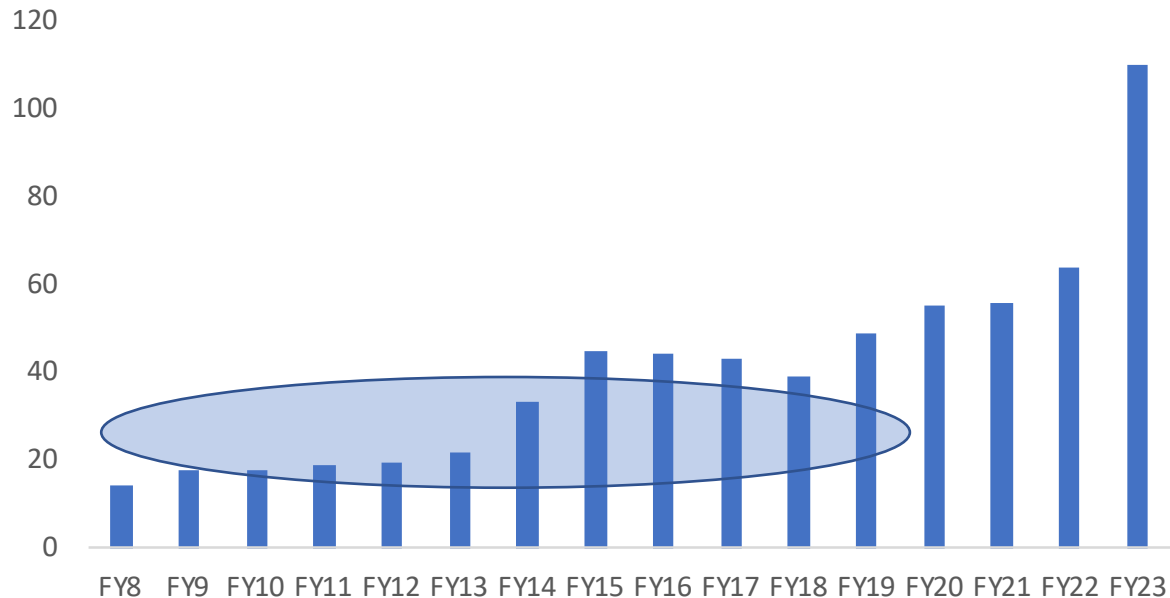


Major triggers

- ✓ Strong demand from agrochemical and pharmaceutical industry has propelled growth for most of the fluorine players.
- ✓ Ramping up of HPP, MPP and agrochemical intermediate to aid value in revenue mix and higher return ratios
- ✓ Expansion of hydrofluoric acid with foray into derivatives of HF, especially in emerging area like EV battery chemicals, solar, 5G, etc

Value to Growth: Stocks with EPS Turnaround

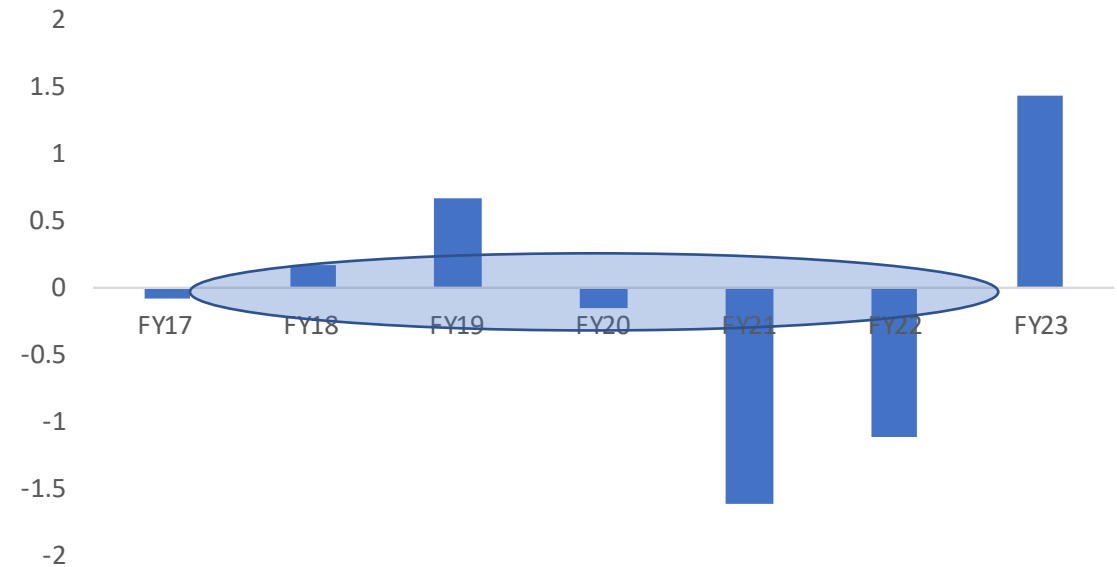
AIA Engineering



Major triggers

- ✓ AIAE has a market penetration of ~25% worldwide, has strong business moat, increasing capacity, robust balance sheet with Rs25bn cash and RoE/RoCE of 20%/25% in FY23.
- ✓ There is significant headroom for penetration in the ferro high-chrome market. .

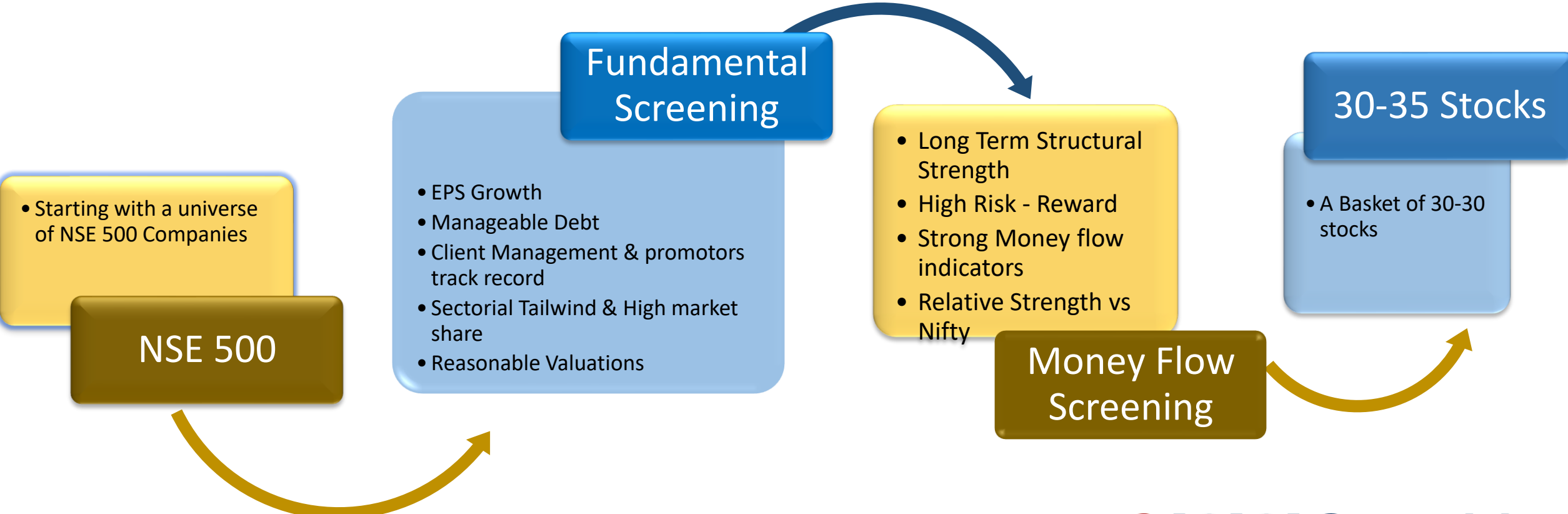
Lemon tree



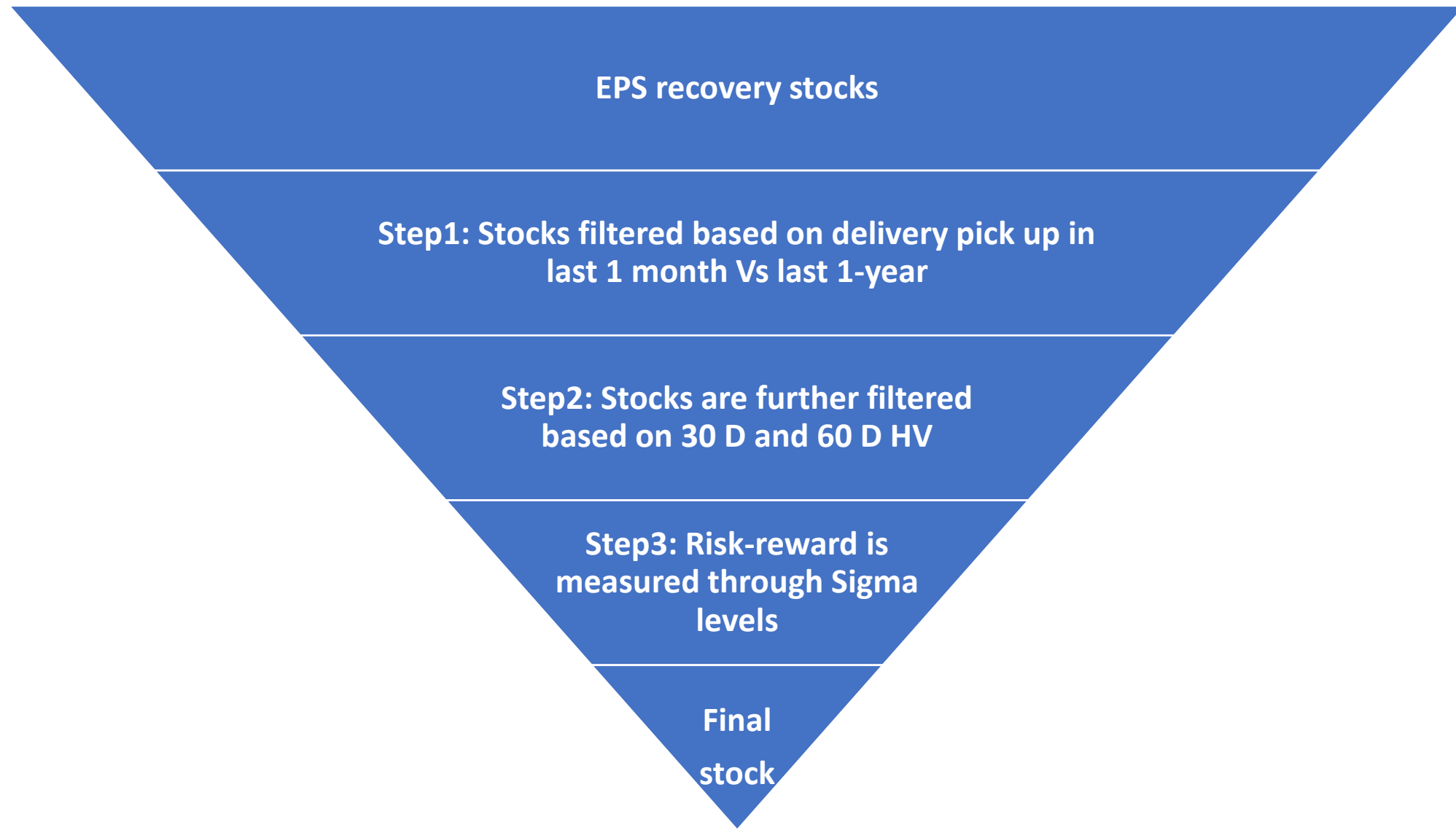
Major triggers

- ✓ While FY23 has been the year of recovery, the focus from FY24 will be on: a) industry demand CAGR over FY23-27E of over 10% vs. supply CAGR of 4-5%
- ✓ Focus on organic debt reduction from FY25E as pending capex of ~Rs3bn largely for Mumbai Airport hotel will be completed by Mar'24.

Stock Selection



I-Sec money flow model for the final stock filtration

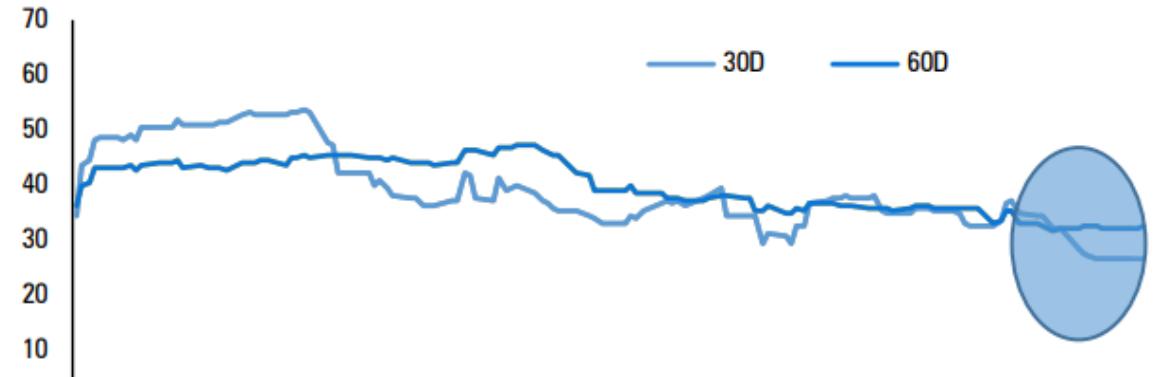


I-Sec money flow model for the final stock filtration

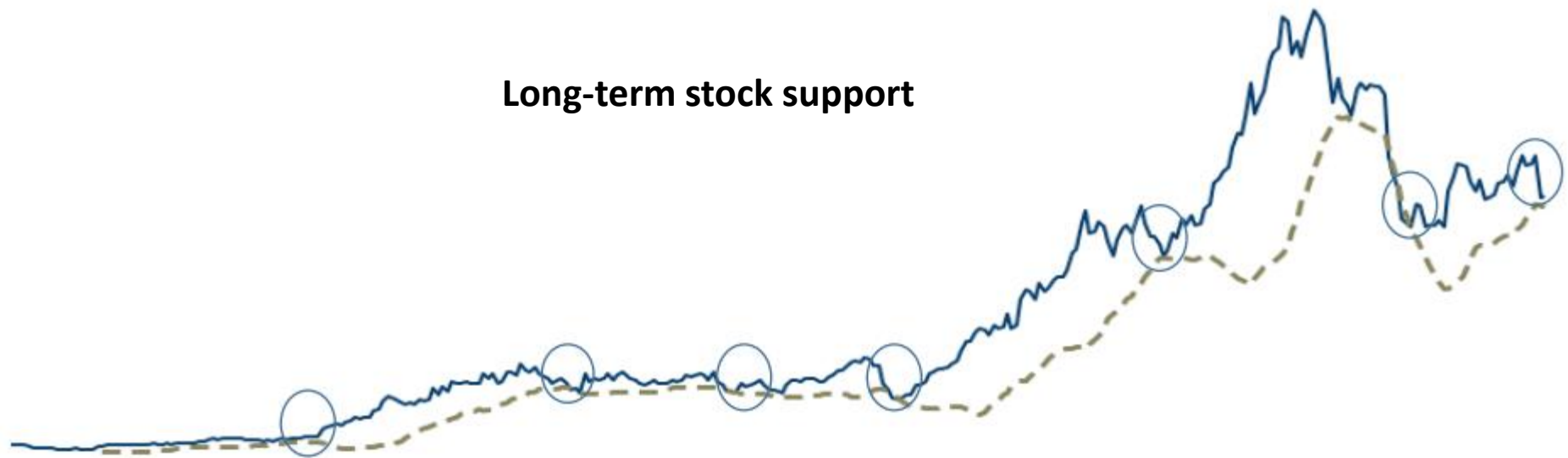
Higher Delivery Z-score



Lower HV trend



Long-term stock support



Breakout Portfolio– 5 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 Optimal diversification which manages concentration risk and alpha potential
- 4 A portfolio offering high Earnings Growth and high ROE
- 5 A portfolio has higher market share companies ensuring a safe journey to capital appreciation

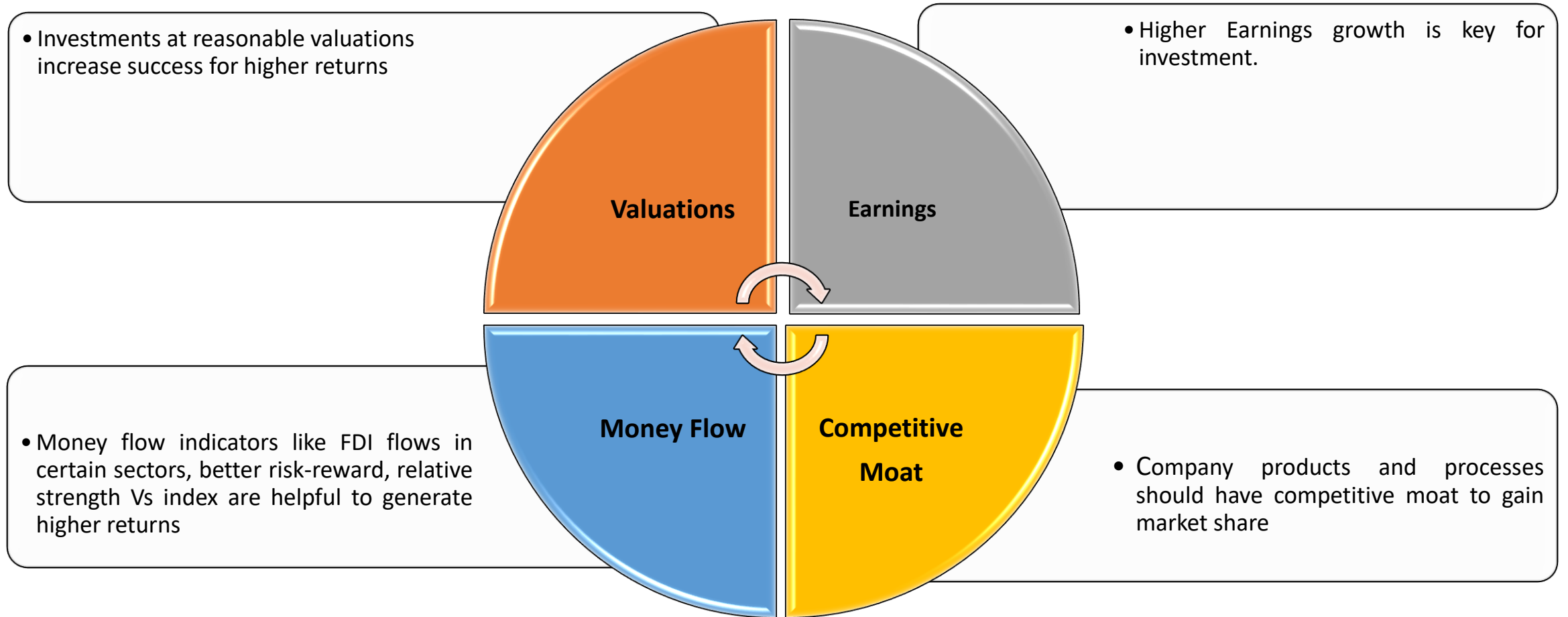
Major Themes for investment



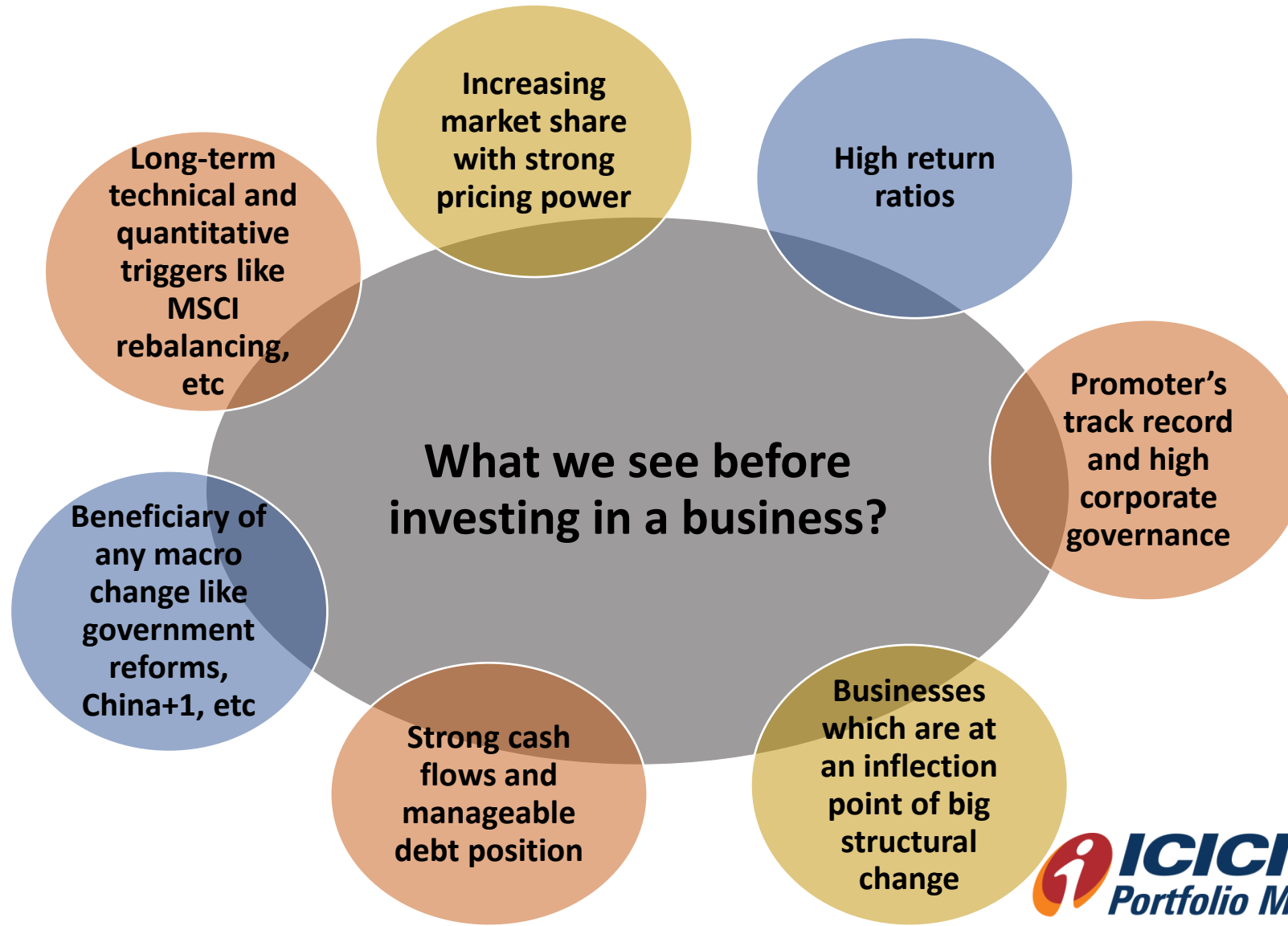


Investment Philosophy

Investment Philosophy - VEMC



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.

Fund management team

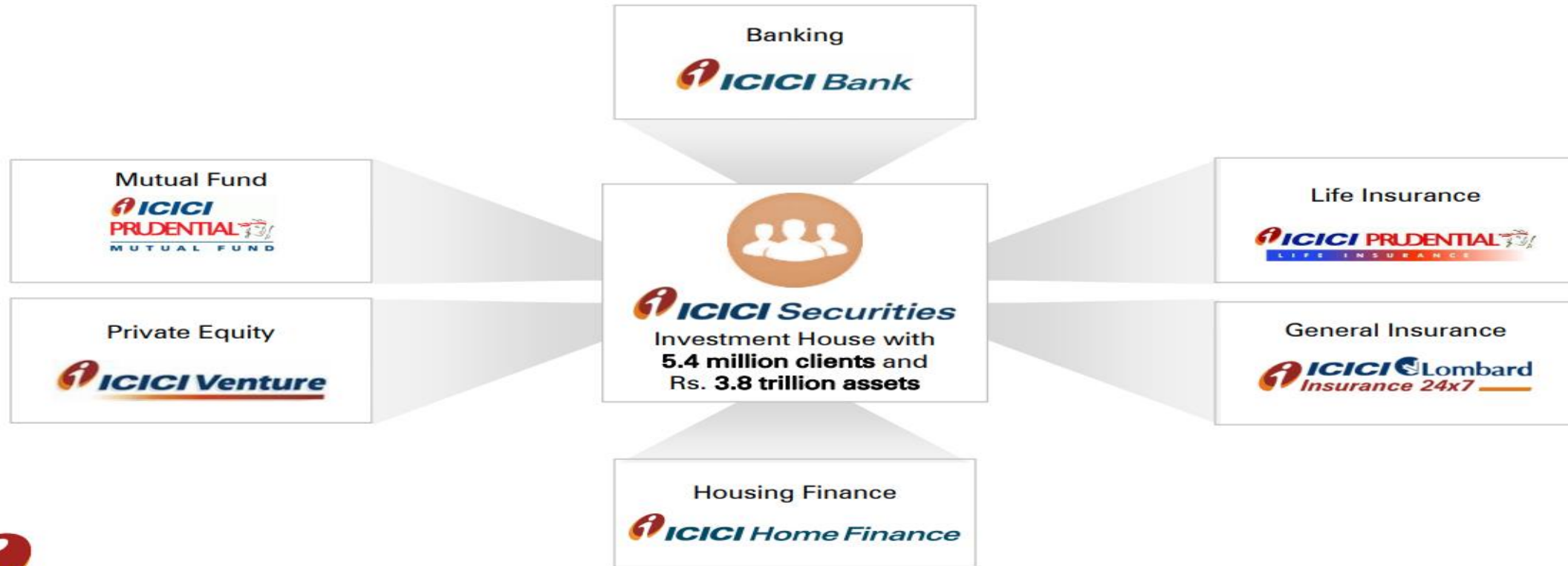
<p>Piyush Garg – Chief Investment Officer</p>	<ul style="list-style-type: none"> - Over 23 years of experience in Indian financial markets - Fixed income, Equities and Currencies & US bonds. - Invited as spokesperson in various seminars in India and abroad on Global and domestic macro economics. - Awarded '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: 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.

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