

ASK Indian Entrepreneur Portfolio – Dec 22

Delivered Results, Concept and Positioning

Public



Key Investment Objectives and Attributes

Key investment objectives:

- Capital preservation* over a period of time
- Capital appreciation over a period of time

- Size of pond v/s size of fish
- Dominance
- Resilience
- Liquidity

- Quantum
- Consistency
- Durability
- Predating (Early v/s Later)
- Compounding power



Achieved through:

- Long-term investments in high-quality companies with strong growth prospects

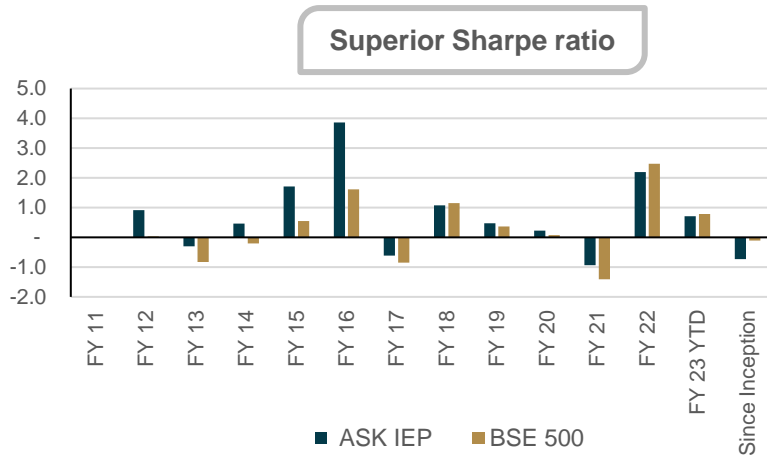
- High quality of business (Superior RoCE)
- Strong moat. Impregnable
- Sustainability
- Key pivot of strong wealth creation

- Favorable Price-Value Gap
- Margin of safety

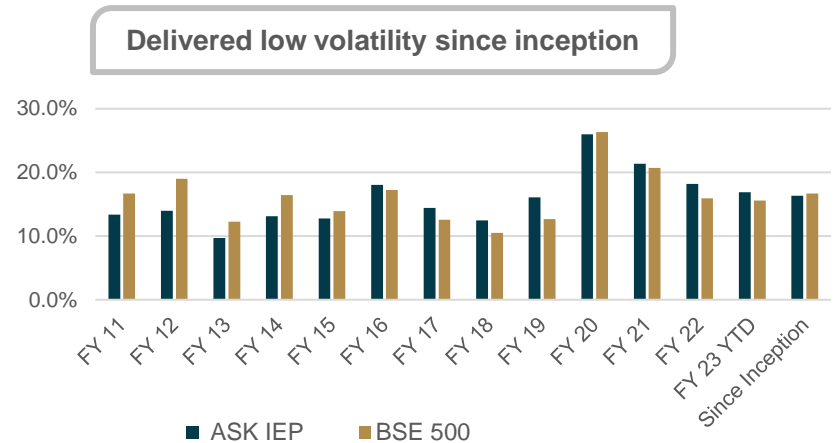
Capital Preservation*

Consistently low volatility

We cater to investor's desire for a relatively stable investment approach very well



Sharpe ratio (since inception):
0.58 v/s BSE 500: 0.21



Standard deviation (since inception):
16.3% v/s BSE 500: 16.7%



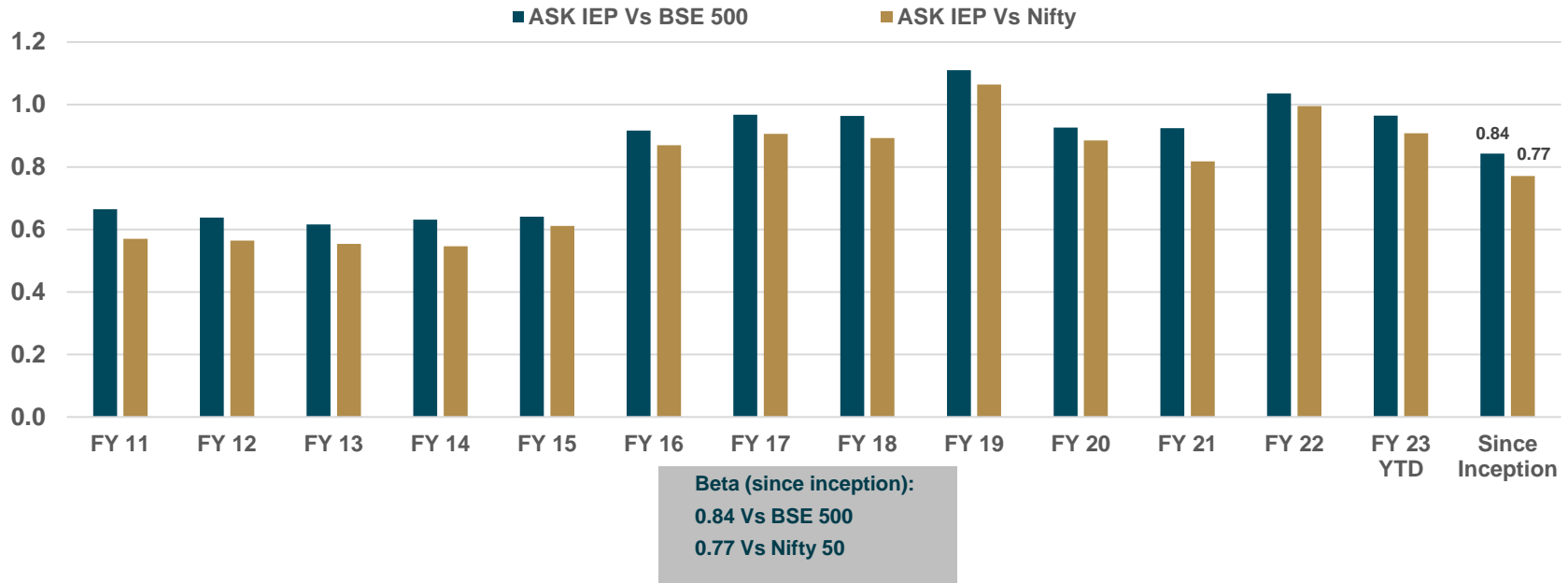
Sharpe ratio measured as annualized mean of daily Portfolio returns over Risk Free Rate (RFR) divided by the annualized Portfolio Standard Deviation of daily returns. RFR assumed at 8% pa. Historical Volatility is computed based on standard deviation of daily returns.

* ASK IM endeavors to preserve the capital however equity investments are subject to market risks and may result in loss of capital
ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Dec 31, 2022. 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.

Capital Preservation*

Consistently low volatility

Portfolio Beta has largely remained below 1 (10 out of 12 years)



*ASK IM endeavors to preserve the capital however equity investments are subject to market risks and may result in loss of capital.

Capital Preservation*

ASK IEP has had a lower drawdown than BSE 500 majority of the time

	Max Drawdown [^]		FY Performance [^]	
	ASK IEP	BSE 500	ASK IEP	BSE 500
FY 11	-18%	-20%	22%	7%
FY 12	-14%	-25%	3%	-9%
FY 13	-4%	-10%	13%	5%
FY 14	-7%	-16%	34%	17%
FY 15	-2%	-7%	73%	33%
FY 16	-15%	-20%	-5%	-8%
FY 17	-17%	-12%	25%	24%
FY 18	-5%	-11%	15%	12%
FY 19	-19%	-16%	11%	8%
FY 20	-31%	-38%	-18%	-28%
FY 21	-10%	-11%	67%	77%
FY 22	-18%	-15%	21%	21%



[^] Historical Drawdown for portfolio is measured as the performance for the period during which the index had its maximum drawdown

* ASK IM endeavors to preserve the capital however equity investments are subject to market risks and may result in loss of capital.

Capital Preservation*

Years when life highs are attained by ASK IEP companies. Average holding period in ASK IEP is 4.9 Years

ASK IEP Company Name	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Number of Years Life-Highs are attained since 2008	Number of Years in existence since 2008	% of Years where Life - Highs are attained since 2008
Aarti Industries Ltd	1	1	1	0	1	1	1	1	1	1	1	1	1	1	5	5	93%
APL Apollo Tubes Ltd	0	0	1	0	1	1	1	1	1	1	1	0	1	1	12	14	71%
Asian Paints Ltd	1	1	1	1	1	1	1	1	1	1	1	1	1	1	10	14	100%
Astral Polytechnik Ltd	1	0	1	1	1	1	1	1	1	1	1	1	1	1	9	14	93%
AU Small Fin Bank Ltd										1	1	1	1	1	8	14	100%
Avenue Supermarts										1	1	1	1	1	10	14	100%
Bajaj Finance Ltd	1	0	1	0	1	1	1	1	1	1	1	1	1	1	3	5	86%
Bajaj Finserv Ltd	1	0	0	1	0	0	1	1	1	1	1	1	1	1	13	14	71%
Bharti Airtel Ltd	1	0	0	1	0	0	1	1	1	1	1	0	1	1	10	14	64%
Cholamandalam Invest	1	0	0	0	0	0	1	1	1	1	1	0	1	1	3	3	57%
Divi's Laboratories Ltd	1	0	0	0	1	1	1	1	1	0	1	1	1	1	11	14	71%
Dixon Technologies										1	0	0	1	1	13	14	60%
Havells India Ltd	1	1	1	1	1	1	1	0	1	1	1	1	1	1	6	14	93%
Kotak Mahindra Bank	1	0	0	0	0	1	1	1	1	1	1	1	1	1	1	2	71%
Metropolis Healthcare												1	1	1	11	14	100%
Page Industries Ltd	1	1	1	1	1	1	1	1	0	1	1	0	0	1	11	14	79%
PI Industries Ltd	1	1	1	1	0	1	1	1	1	1	1	1	1	1	13	14	93%
Reliance Industries Ltd	1	0	0	0	0	0	0	0	0	1	1	1	1	1	5	5	43%
Patanjali Foods Ltd													1	0	12	14	50%
TCS Ltd	1	1	1	0	0	0	1	1	1	1	1	1	1	1	10	14	79%
Titan Co Ltd	1	0	1	1	1	0	1	1	0	1	1	1	1	1	9	14	79%
Torrent Pharma	1	1	1	1	1	1	1	1	1	0	1	1	1	1	8	14	93%

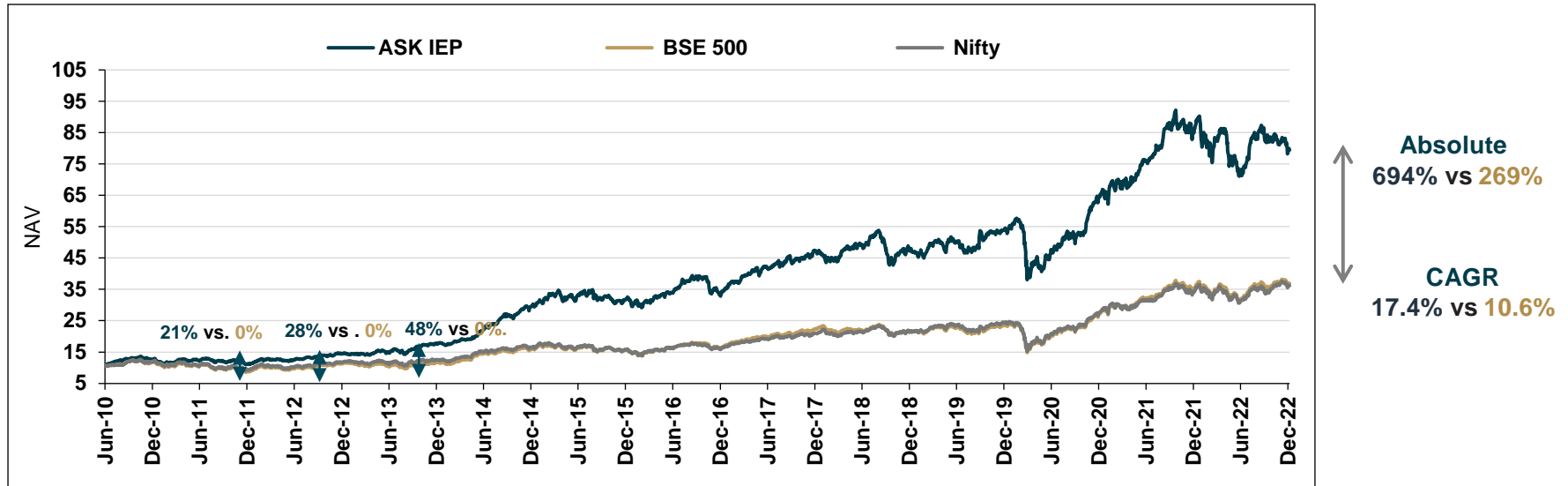


Source: Bloomberg. Data considered from CY 2008 as the base till CY 2021.

*ASK IM endeavors to preserve the capital however equity investments are subject to market risks and may result in loss of capital.

Capital Appreciation

Low volatility in the investment approach actually aids portfolio appreciation



- Rs 1 Crore invested at inception has grown to Rs 7.94 Crore Vs Rs 3.69 Cr in BSE 500
- The Investment Approach has been able to generate returns continuously even while markets were flat between Oct 11, Jun 12 and Aug 13.



Note: 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 Dec 31, 2022. 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.

Consistently Outperforming Benchmarks Since Inception

Point to point returns

	1 month	3 months	6 months	1 year	3 years	5 years	7 years	10 years	Since Inception
ASK IEP	-4.1%	-4.3%	11.3%	-8.5%	13.8%	11.0%	13.7%	18.5%	17.4%
BSE 500	-3.2%	4.1%	15.4%	3.3%	16.2%	10.4%	12.7%	12.5%	10.6%
Nifty 50	-3.5%	5.9%	14.7%	4.3%	14.2%	11.4%	12.5%	11.8%	10.4%

Financial year-wise returns – ASK IEP has outperformed BSE 500 in 10 out of 12 financial years

	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY20	FY21	FY22	FY23 YTD
ASK IEP	21.7%	2.8%	12.8%	34.5%	73.0%	-4.5%	24.9%	14.5%	10.8%	-17.8%	68.6%	20.9%	-4.9%
BSE 500	7.5%	-9.1%	4.8%	17.1%	33.2%	-7.8%	24.0%	11.8%	8.3%	-27.5%	76.6%	20.9%	3.8%
Nifty	11.1%	-9.2%	7.3%	18.0%	26.7%	-8.9%	18.5%	10.2%	14.9%	-26.0%	70.9%	18.9%	3.7%

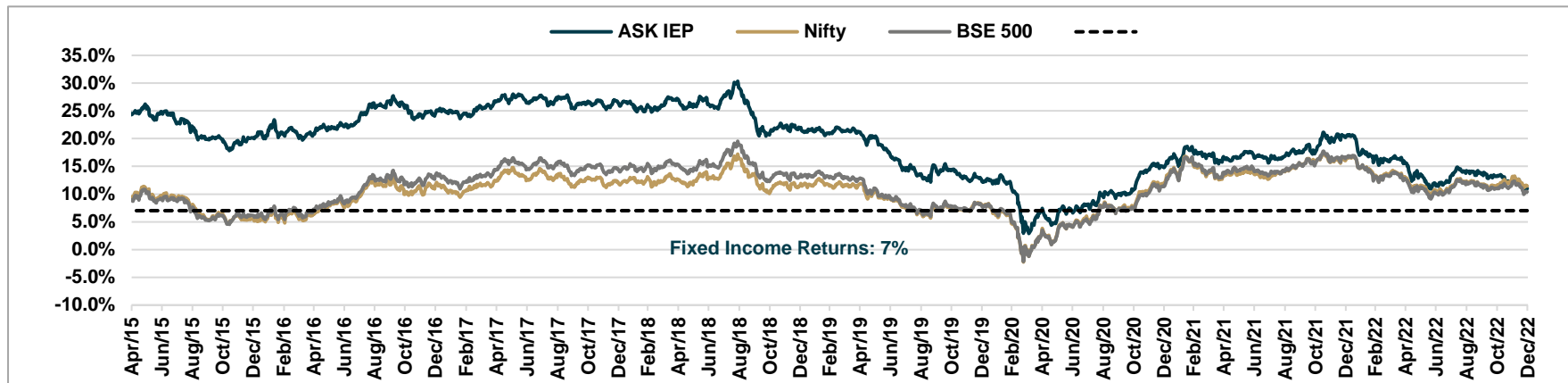
Calendar year-wise returns - ASK IEP has outperformed BSE 500 in 11 out of 12 calendar years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD 2022
ASK IEP	29.0%	-13.2%	29.8%	22.0%	69.6%	7.6%	6.2%	37.2%	1.8%	12.4%	20.5%	33.7%	-8.5%
BSE 500	19.2%	-27.4%	31.2%	3.3%	37.0%	-0.8%	3.8%	35.9%	-3.1%	7.8%	16.8%	30.1%	3.3%
Nifty	22.5%	-24.6%	27.7%	6.8%	31.4%	-4.1%	3.0%	28.6%	3.2%	12.0%	14.9%	24.1%	4.3%



Note: 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 Dec 31, 2022. 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.

ASK IEP 5 Year Rolling Returns Analysis



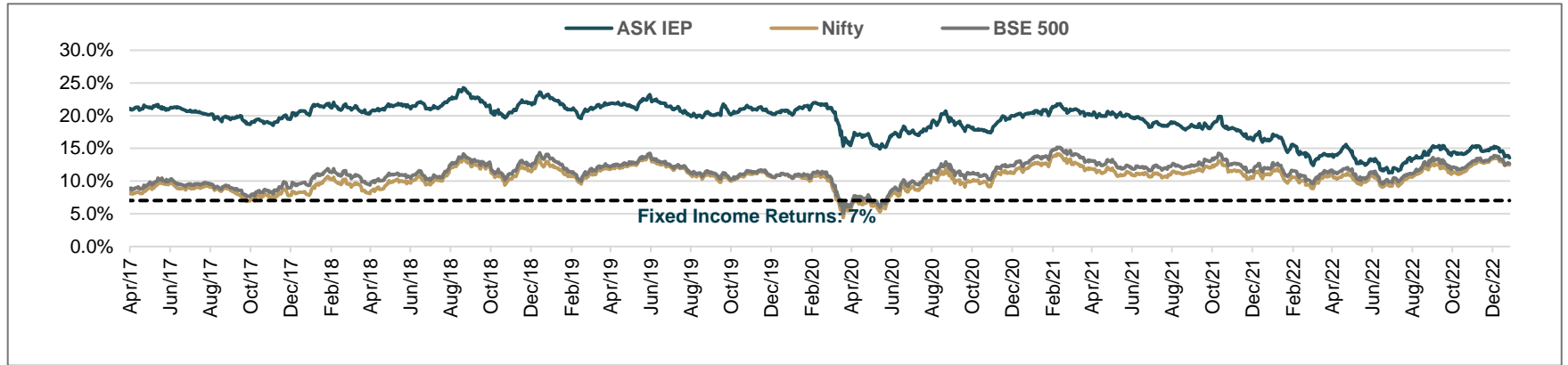
	ASK IEP	Nifty	BSE 500
Minimum	2.9%	-2.3%	-2.2%
Maximum	30.3%	17.4%	19.5%
Average	19.5%	10.6%	11.3%

Return Brackets	No. of Observations	% Distribution
<7%	59	3.0%
7%- 10%	72	3.7%
10-15%	375	19.1%
15-20%	398	20.3%
>20%	1061	54.0%
Total	1965	100.0%



Note: 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 Dec 31, 2022. 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.

ASK IEP 7 Year Rolling Returns Analysis



	ASK IEP	Nifty	BSE 500
Minimum	11.2%	4.4%	5.0%
Maximum	24.3%	14.2%	15.2%
Average	19.2%	10.5%	11.2%

Return Brackets	No. of Observations	% Distribution
<7%	0	0.0%
7%- 10%	0	0.0%
10-15%	188	12.8%
15-20%	500	34.0%
>20%	784	53.3%
Total	1472	100.0%

10% plus
CAGR
100% of
the time



Note: 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 Dec 31, 2022. 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.

Stock Contribution to Portfolio Return

Top Contributors - Last 3 Months*		
Stock	Avg. Weight*	Contribution to Portfolio Return (%)
PI INDUSTRIES LTD	5.3	0.7
APL APOLLO TUBES LTD	6.7	0.6
AU SMALL FINANCE BANK LTD	5.4	0.5
TATA CONSULTANCY SVCS LTD	4.7	0.4
RELIANCE INDUSTRIES LTD	4.8	0.4

Top Detractors - Last 3 Months*		
Stock	Avg. Weight*	Contribution to Portfolio Return (%)
HAVELLS INDIA LTD	4.9	-0.9
PATANJALI FOODS LTD	4.8	-0.7
BAJAJ FINANCE LTD	6.9	-0.6
PAGE INDUSTRIES LTD	4.2	-0.5
BAJAJ FINSERV LTD	6.7	-0.5

Top Contributors - Last 1 Year*		
Stock	Avg. Weight*	Contribution to Portfolio Return (%)
CHOLAMANDALAM INVESTMENT AND	5.3	5.0
AU SMALL FINANCE BANK LTD	5.4	5.2
PI INDUSTRIES LTD	4.9	4.7
PATANJALI FOODS LTD	2.9	2.8
APL APOLLO TUBES LTD	6.0	5.9

Top Detractors – Last 1 Year*		
Stock	Avg. Weight*	Contribution to Portfolio Return (%)
METROPOLIS HEALTHCARE LTD	2.1	-2.0
SONA BLW PRECISION FORGINGS	3.3	-1.6
DIVI'S LABORATORIES LTD	4.4	-1.3
AARTI INDUSTRIES LIMITED	3.8	-1.2
HAVELLS INDIA LTD	4.8	-1.0

Sector Contribution to Portfolio Return

Top Contributors - Last 3 Months*		
Sector	Avg. Weight*	Contribution to Portfolio Return (%)
T & T	11.9	0.9
Commodities	6.7	0.6
Chemicals	8.2	0.6
Infrastructure and Engineering	2.7	-0.2

Top Detractors - Last 3 Months*		
Sector	Avg. Weight*	Contribution to Portfolio Return (%)
Consumption	28.4	-3.0
Financials	27.6	-0.6
Healthcare	9.8	-0.5
Automobile	2.8	-0.3

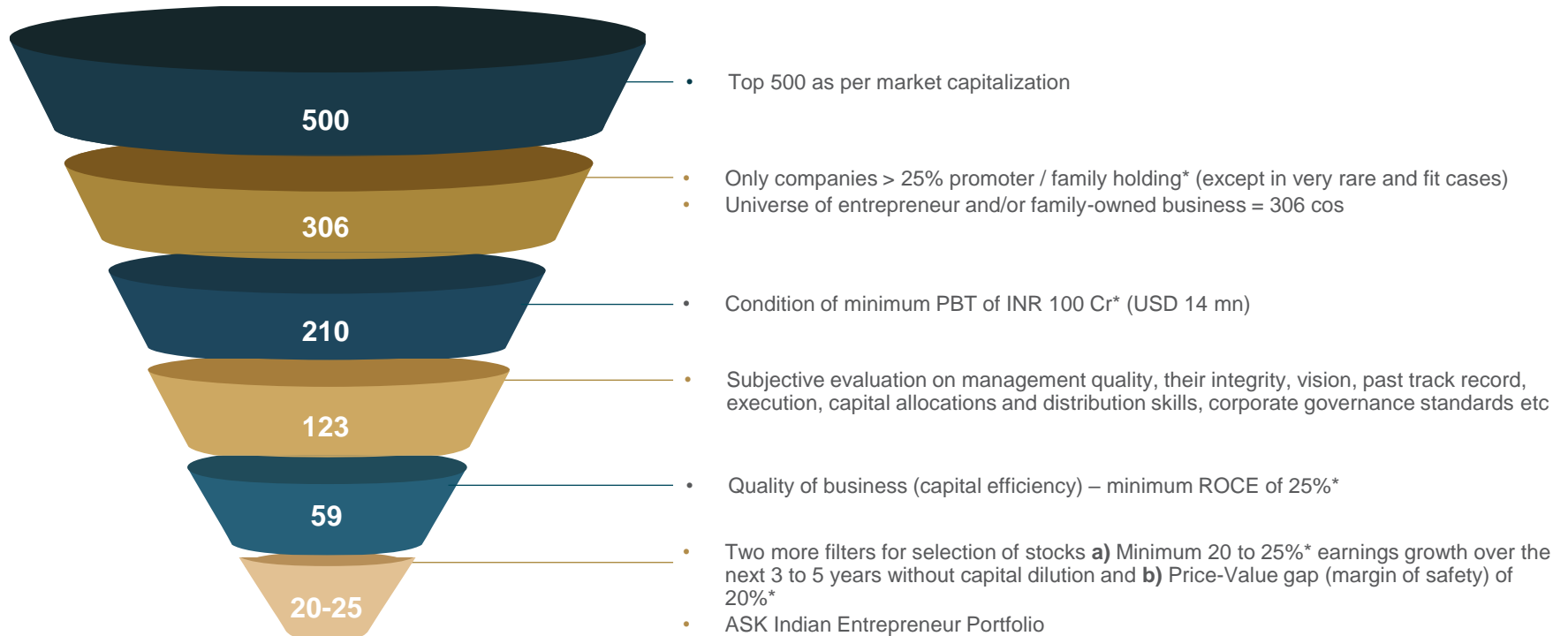
Top Contributors - Last 1 Year*		
Sector	Avg. Weight*	Contribution to Portfolio Return (%)
Financials	27.4	2.1
Commodities	6.0	0.7
T & T	10.4	-0.2
Chemicals	8.7	-0.4

Top Detractors – Last 1 Year*		
Sector	Avg. Weight*	Contribution to Portfolio Return (%)
Healthcare	10.4	-3.3
Automobile	3.3	-1.6
Infrastructure and Engineering	4.8	-1.6
Consumption	27.9	-1.0

ASK Indian Entrepreneur Portfolio: The Investment Approach

- Identify **large** and **growing** business opportunities.
- Identify businesses with the competitive advantage that are **significantly sized** (min Rs.100cr of PBT)*: Enables growth from both **market share gains** and **growth of the opportunity size** and can sustain for multiple years.
- The **quality of the business** should be good to be able to fund strong growth through internal cash generation
 - > We seek over 20% compounded growth from each business that we buy and target over 25%* growth from the portfolio.
 - > To fund this growth, the business ROCE should be over 25%* so that growth can be funded and there are surpluses for dividend.
- The management should have the drive and skin in the game to deliver **compounded growth** period after period (uncompromised corporate governance is a must)
 - > Hence, invest in businesses with an identifiable business house at the helm with a minimum 25% stake.**
- We seek to identify such businesses **at a reasonable discount to value** and stay invested for a length of time and make money as EPS compounds.

Investment Approach Research Methodology and Filtration



Long-Term Performance of ASK IEP Companies

ASK IEP companies performance over last 5 years (CAGR) as on FY22				
Company Name	Sales	PBT	ROCE*	PAT
Aarti Industries Ltd	17%	18%	18%	19%
APL Apollo Tubes Ltd	24%	31%	42%	33%
Asian Paints Ltd	13%	8%	45%	10%
Astral Poly Technik Ltd	18%	29%	37%	29%
AU Small Finance Bank Ltd	37%	18%	23%	22%
Avenue Supermarts Ltd	22%	25%	21%	29%
Bajaj Finance Ltd	31%	24%	18%	27%
Bharti Airtel Ltd	8%	LTP	19%	LTP
Cholamandalam Investment and Finance Co Ltd	18%	19%	22%	22%
Divi's Laboratories Ltd	16%	19%	43%	20%
Dixon Technologies Ltd	35%	33%	34%	34%
Havells India Ltd	15%	13%	35%	15%
Kotak Mahindra Bank Ltd	17%	24%	12%	19%
Metropolis Healthcare Ltd	18%	13%	51%	17%
Page Industries Ltd	13%	11%	100%	14%
PI Industries Ltd	18%	16%	27%	13%
Reliance Industries Ltd	11%	11%	14%	14%
Tata Consultancy Services Ltd	10%	9%	100%	9%
Titan Co Ltd	17%	24%	34%	25%
Torrent Pharmaceuticals Ltd	8%	11%	22%	8%
Patanjali Foods Ltd	5%	LTP	19%	LTP
Average of ASK IEP Companies	18%	18%	38%	19%
Nifty 50	12%	-	-	11%



*Data considered only for FY22. For Banking & Financial companies, we have not considered ROCE, but have considered ROE for the above analysis

Risk Factors and Disclaimer

Risk arising from the investment objective, investment approach and asset allocation:

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 Approach. ASK Investment Managers 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. The PMS is run with an objective to achieve reasonable returns consistently. Given this background the investor investing in the PMS faces the following risks

(i) Political, economic and / or related risks

The Asset Value of the portfolio and the liquidity of the shares may be affected by changes in government policy, taxation, interest rates, social and religious instability and political, economic or other developments in or affecting India.

(ii) Industry risk

The value of shares of companies in a particular industry may be affected due to factors affecting the industry like changes in government policy on duties, FDI or a foreign country, which is a big market for the industry, may impose restrictions on import etc.

(iii) The Indian Securities Market

The Indian stock markets in the past experienced substantial price volatility and no assurance can be given that such volatility will not occur in future. Actual market trend may be in variance with anticipated trends hence, the decisions of the Portfolio Manager may not be always profitable.

(iv) Liquidity Risk

Some stocks that the investor might be invested in might not be highly liquid. Though it will be the PMS service providers endeavour to restrict investments in less liquid stocks to a lower limit, there is an exposure of liquidity risk to the investor.

Disclaimer:

Any information contained in this material shall not be deemed to constitute an advice, an offer to sell/purchase or as an invitation or solicitation to do for security of any entity and further ASK Investment Managers Limited (ASKIM) and its employees/directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use of this information. Recipients of this information should exercise due care and caution and read the Disclosure Document (if necessary obtaining the advice of finance/other professionals) prior to taking any decision on the basis of this information which is available on <https://www.askfinancials.com/ask-investment-managers/disclosure>

ASK Investment Managers Limited (Registration No: INP00000043) has not independently verified all the information and opinions given in this material. Accordingly, no representative or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this material. ASKIM has launched direct onboarding facility. This facility shall enable users / visitors to have direct access to ASK IM PMS Investment approaches. These product are also available through existing Distributor/Referral or Channel Partners also. The performance related information provided herein is not verified by SEBI nor has SEBI certified the accuracy or adequacy of the same.

Thank You

MSK

The letters 'MSK' are rendered in a large, gold-outlined serif font. A solid gold triangle is positioned to the right of the letter 'K', pointing downwards.