

Investor Presentation



ALFAccurate Advisors
Protect Capital, Create Wealth

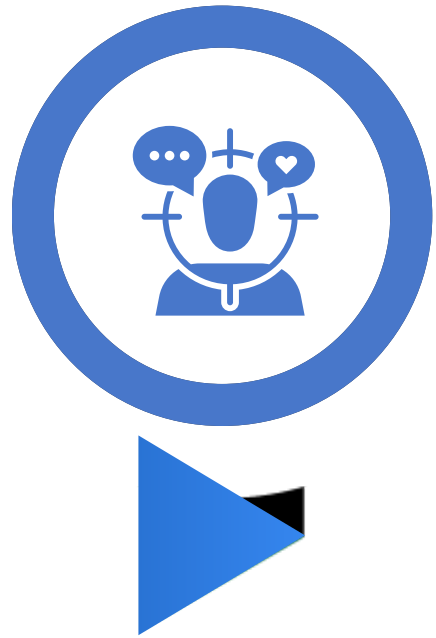
AAA Emerging Business Opportunities (EBO) Strategy

Aug 2024

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Why AAA Investment Advisory?



Advise In Your Interest
When you do better,
we do better.



**Disciplined & Active
Investment Management**
Not just stock pickers but
active portfolio managers
centered on your long-
term goals



Transparency
Full transparency in
investment decisions to
ensure you sleep
peacefully at night.



**Award Winning
Track Record**
We have a proven
track record of
investment in
companies yielding
multibagger returns.

The Team



Rajesh Kothari

Founder & Managing Director

29
years



Govind Agrawal

Director

29
years



Sandeep Biyani

Head of Sales & Business
Development

15
years



The Team

About

- ▶ Rich experience of more than 29 years in Indian capital market with expertise in both Long Only & Long Short investment strategy
- ▶ Former Director with Voyager Investment Advisors (US\$500m) – USA based India dedicated fund. During his tenure, fund Outperformed the benchmark indices significantly
- ▶ Former Fund Manager with DSP Merrill Lynch Fund Managers (DSP MF) for more than four years. The schemes delivered annualized return of 55% (Equity Fund) & 62% (Top100 Fund) outperforming benchmark indices by more than 20% & 10% respectively. The equity schemes maintained its “1st Quartile Ranking” consistently during his tenure

Achievements

- ▶ Received CMA Young Achiever Award 2014
- ▶ Rated as “Platinum Fund Manager” by Economic Times for DSP ML Equity Fund on a risk-adjusted return basis (Jul 2006)
- ▶ Received CNBC TV18 - CRISIL Mutual Fund of the Year Award 2006 for DSPML Equity Fund and Lipper India Fund Awards 2006 for best equity fund group for 3 years
- ▶ Invited at Maharashtra Economic Summit to present views on Indian Infrastructure
- ▶ Invited by Institute of Directors to present views on Governance Deficit
- ▶ Actively involved with Arham Yuva Group - philanthropic initiative

Rajesh Kothari

Founder &
Managing Director

CWA, MBA

The Team



Govind Agrawal

Director

CA, LLB

About

- ▶ Rich experience of 29 years in Indian capital market
- ▶ Former Fund Manager with Reliance Capital Asset Management Company (USD 20bn) for over four years. Reliance Emergent India Fund (USD 100m offshore fund) outperformed benchmark indices by 35% since its inception. Played instrumental role in setting up Macro Economic Research desk
- ▶ Former Executive Director with UBS Securities India Pvt Ltd for 4 years as India Account Manager for large FIIs and guided the portfolio managers for right country, sectors and stocks allocation. Former Senior VP - Equity Sales with Motilal Oswal Securities Ltd for 10 years. Played key role in establishing institutional equity broking business, systems and processes

Achievements

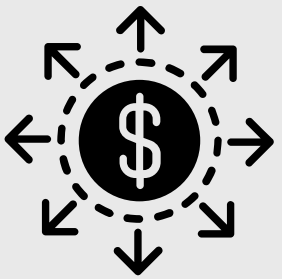
- ▶ Represented Reliance AMC on international platforms and panel discussion on Emerging Markets and Indian Equity Market
- ▶ Addressed investors' meet and the private banking teams of large banks in Middle East, Asia, London, Europe and in India
- ▶ At UBS, was voted as the "Best Equity Sales Person-Mega Funds category, Asia Money 2006"
- ▶ Won several awards at Motilal Oswal for consistently contributing to Institutional Equity Sales

Investment Philosophy

Protecting Capital - DSD Mechanism

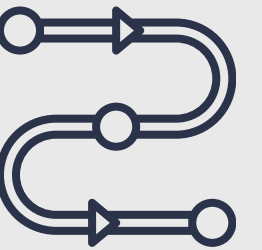
DIVERSIFICATION

Three important risks : Governance, Technology and Business cycle - can be reduced only by Diversification. We invest across market cap, sectors, and companies to reduce company/sector specific risk.



STAGGERED APPROACH

We build the portfolio over a period of time.



DISCIPLINED EXIT STRATEGY

We have a disciplined Exit strategy. We sell/reduce due to rebalancing of the portfolio, change in growth assumption of our portfolio company, expensive valuations.



Investment Philosophy

Creating Wealth - 3M Approach

01

Market Size

Market size determines size of opportunity. We prefer companies which are targeting large market size to generate exponential returns.

Market Share

We buy the companies which are leaders in their sector as they are best positioned to navigate upturn and downturn of the economy.

02

03

Margin Of Safety

Price is what you pay. Value is what you get. We buy the companies which are available at reasonable valuations.

AAA EBO Features



Portfolio Overview



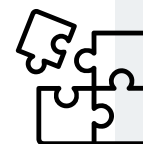
AAA Emerging Business Opportunities is a portfolio of 10-15 companies which are market leaders with strong corporate governance and high growth potential with investment horizon of 3-5 years.



Portfolio Strategy



AAA Emerging Business Opportunities portfolio focus on long-term growth potential by capitalizing on business opportunities driven by evolving consumer behavior, changing technology trends, formalization of the economy, and a rising focus on niche business segments.



Portfolio Marketcap



Mid & Small cap

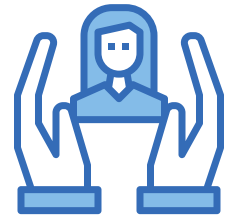


Minimum Investment Amount



Rs. 2,00,000

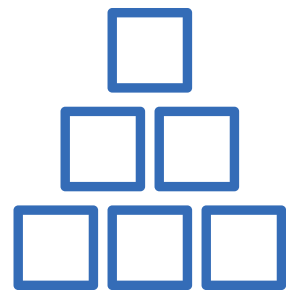
EBO Investments



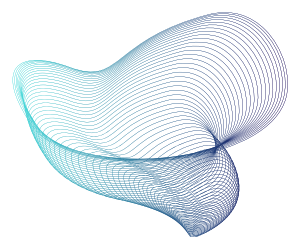
Capitalise on changing consumer behaviour



Capitalise on new technology trends



Capitalise on formalisation of economy



Capitalise on Niche Business Segments

AAA Emerging Business Opportunities Portfolio

A curated portfolio of 10-15 companies which are likely to be big beneficiaries of emerging opportunities.

What We Look In The Company



GREAT MANAGEMENT

We seek companies that are led by a competent management team, that are best-of-breed within their sector and have some defensible characteristics—i.e. patents, infrastructure, cost competitiveness, brand, etc. They have focused approach with efficient capital allocation.



MARKET INNOVATION

We invest in well-established companies that are breaking new ground, whether it's through exploring untapped markets or creating entirely new products and experiences that address consumer needs in new ways.



GROWTH POTENTIAL

We invest in companies that will capitalise from emerging business opportunities, and hence, they are expected to grow faster than the underlying economy. The faster earnings growth is key to our investments.

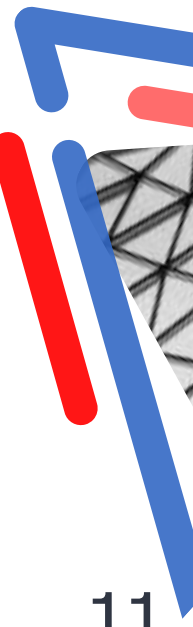
Capitalise On Changing Consumer Behaviour

Indian retail is undergoing a rapid digital transformation propelled by - online buying/selling, store and inventory management, digital marketing etc. The e-commerce market size is expected to increase 4x from from USD26bn in FY21 to USD110bn in FY25.

FROM OFFLINE DISCOVERY



TO ONLINE ANYTIME + ANYWHERE



Capitalise On Changing Consumer Behaviour

95%

of the consumers have made at least one change to their lifestyle that they expect to be permanent.

343%

Increase in the the proportion of online purchases for products such as food, home decor, luxury goods

79%

Would like to work from a "Third place" - a location other than their home or workplace.

Capitalise On Technology Trends

1100%

Amount by which digital lending increased in the last 7 years.



Source: PWC report

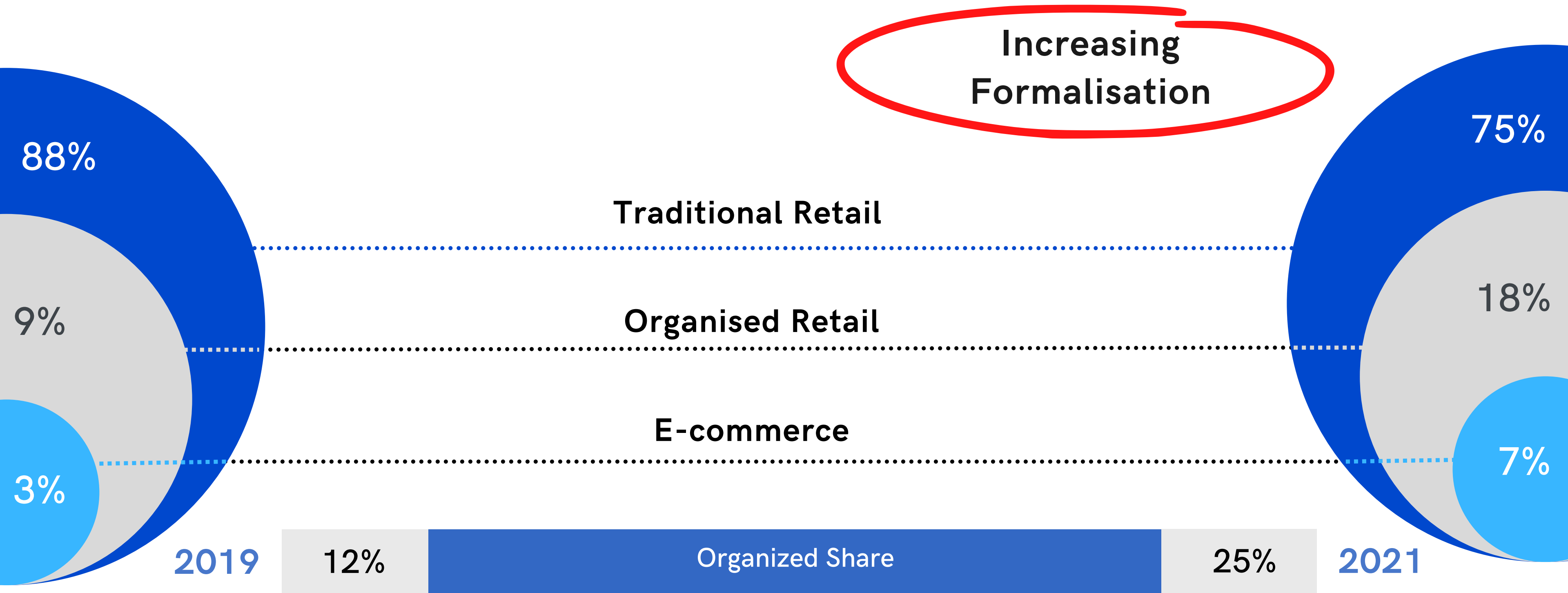
39%

of total transactions in India are digital as compared to less than 3% in 2012.



Source: The Hindu business line Article

Formalisation of the Economy



Capitalising Niche Business Segments



Product Specialization

Niche companies/segments specialise in a product or service and control a small but very profitable niche.



Value Added Segments

Niche players are into value added products and services and they respond to competition with innovation and higher quality products.



Small To Big

We believe that small companies operating and dominating in niche areas can become bluechips of tomorrow.



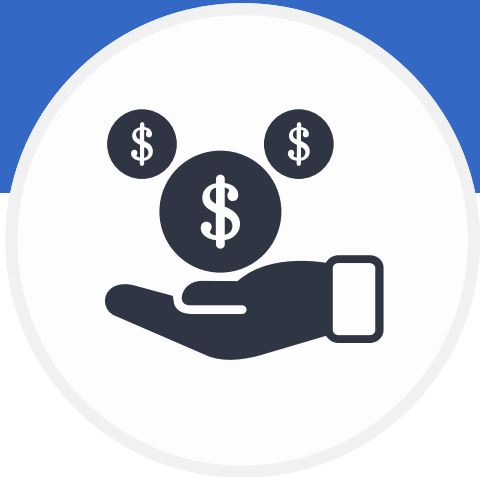
Few examples:
Contract research,
staffing services,
express logistics,
speciality chemicals,
Specialised
engineering services,
etc.

AAA's Way to Build Resilient Portfolios

Market
Leadership



Large
Profit Size



Low
Leverage



Strong
Earnings
Growth



Attractive
Valuations



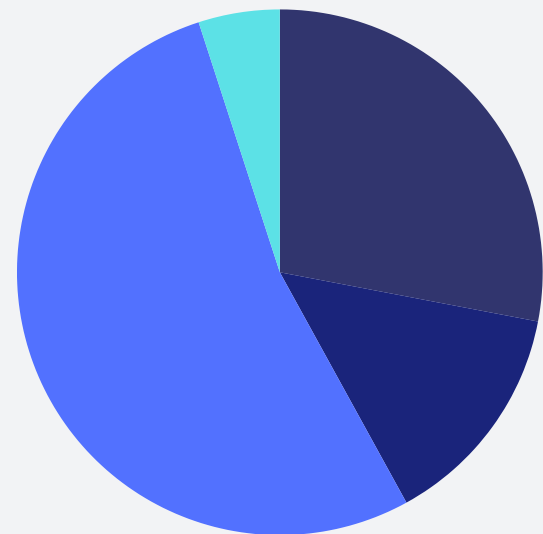
**AAA EBO
Portfolio**



Sectoral and Stocks Allocation



Multicap



■ Large Cap	: 28%
■ Mid Cap	: 14%
■ Small Cap	: 53%
■ Cash	: 5%



Top 5 Sectoral Allocation

Engineering	:	34%
Consumer	:	23%
Pharma	:	14%
Software-P	:	5%
Auto & Auto Ancil	:	5%

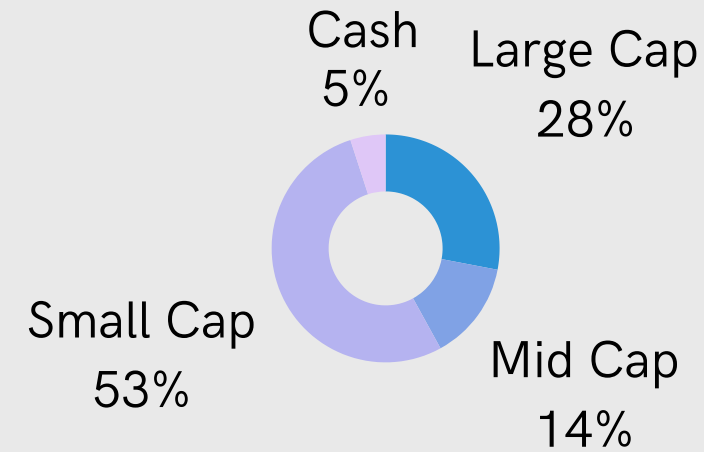


Top 5 Holdings

- 1) Varun Beverages
- 2) Trent
- 3) GNA Axles
- 4) Cholamandalam Inv
- 5) Sumitomo

AAA EBO Plan Characteristics

Market cap

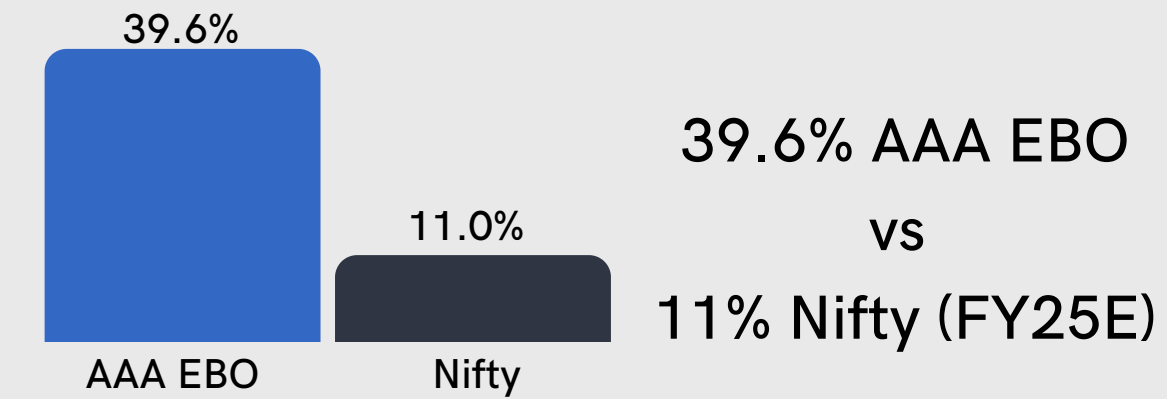


Large Profit Size



63.0% of portfolio companies Rs.100cr+ NP (30.0% above Rs.500cr+)

Strong Earnings Growth



Sectoral Leaders



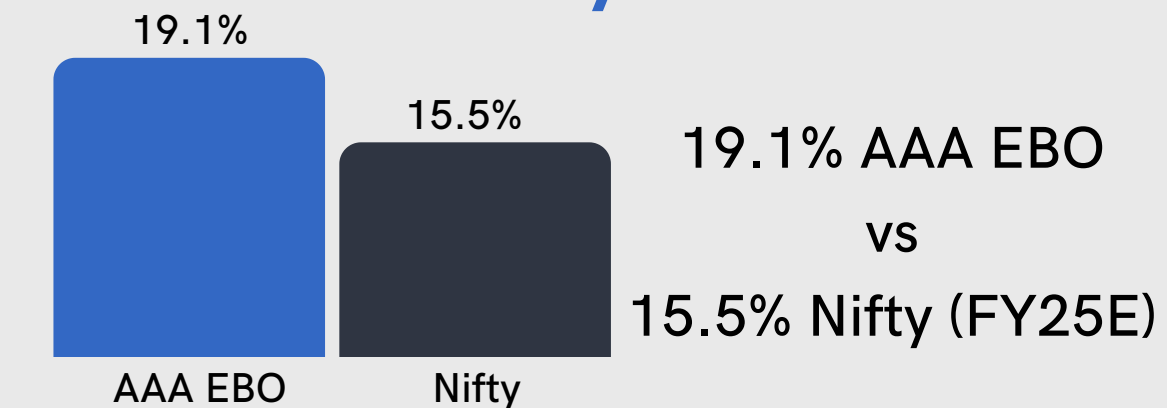
3M stock selection approach

Cash-rich Balance Sheet



- 64.0% of portfolio cos have zero net debt
- 36.0% of portfolio cos have a D/E <1x

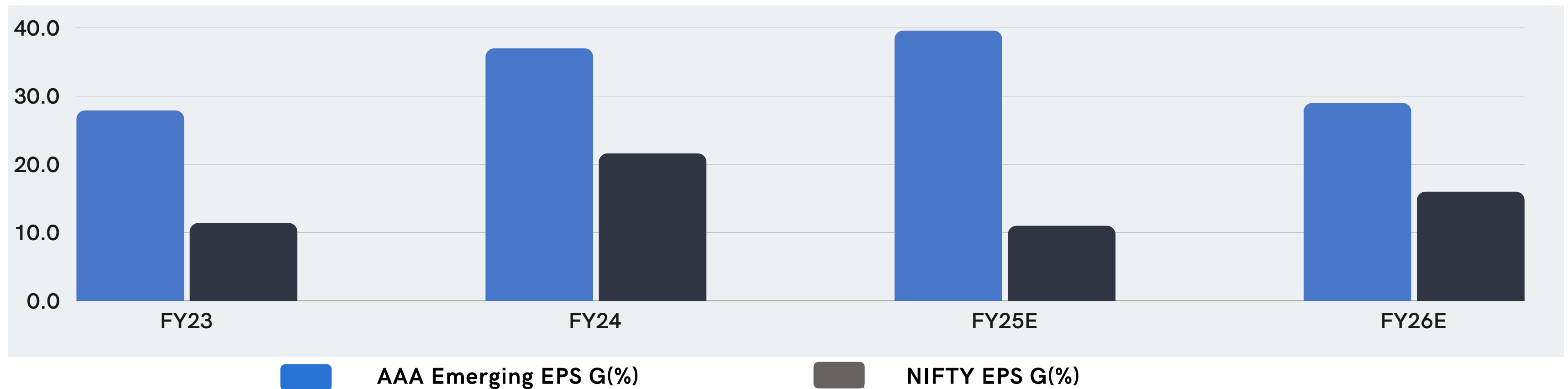
Healthy ROE



Source: Kotak Sec, Bloomberg, AAA Research

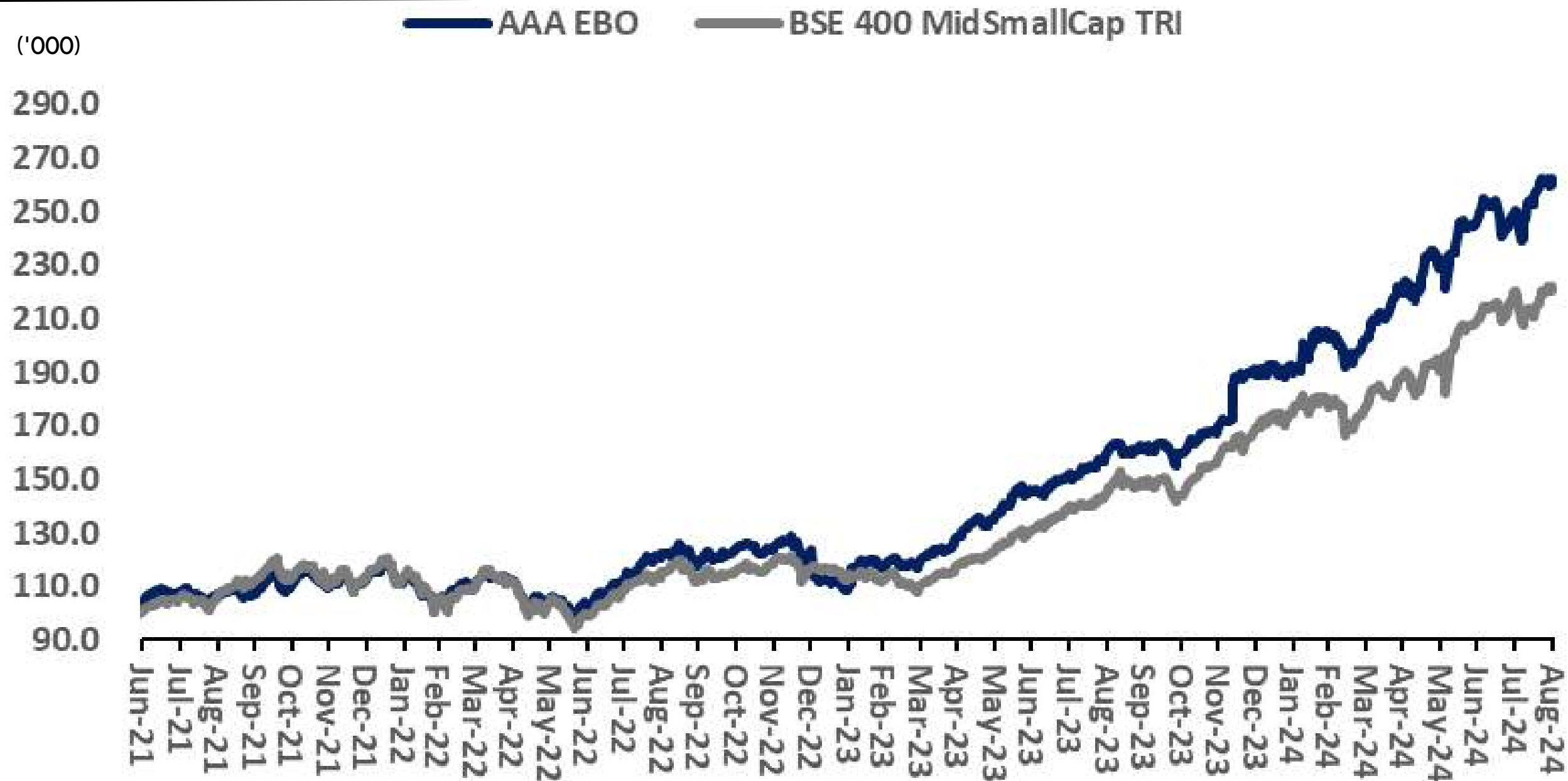
Superior Earnings Growth

Earnings Matrix	AAA EBO FY23	Nifty FY23	AAA EBO FY24	Nifty FY24	AAA EBO FY25E	Nifty FY25E	AAA EBO FY26E	Nifty FY26E
EPS G(%)	27.9	11.4	37.0	21.6	39.6	11.0	29.0	16.0
ROE(%)	21.3	14.4	18.9	15.8	19.1	15.5	19.7	16.2



AAA EBO Performance

GROWTH OF Rs. 100,000



*Performance from 25 June 2021 to 31 Aug 2024.

Note: Performance figures are net of all expenses and fees. Index performance is calculated as per Total Return Indices in accordance with the SEBI Guidelines. Returns of individual clients may differ depending on time of entry in the Strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance related information provided herein is not verified by SEBI.

AAA EBO Performance

Particulars (%)	1M	3M	6M	1 Year	2 Years	3 Years	Since Inception*
AAA EBO	4.1	13.9	28.5	62.5	46.2	34.7	35.1
BSE 500 TRI	1.0	12.9	18.7	41.1	25.4	18.9	20.5
BSE400 MidSmallCap TRI (Benchmark)	0.8	16.0	24.5	52.3	38.7	27.8	28.5

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AAA EBO Risk Analysis

Since inception*	AAA EBO	BSE MidSmall cap TRI
Sharpe	1.64	1.25
Std. dev	17.18	17.16
Beta	0.76	1.00

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Key Holdings

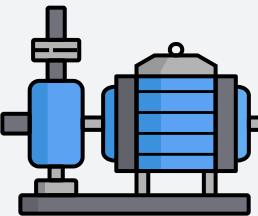
PLAY ON CHANGING CONSUMER BEHAVIOUR

Leading player in the Indian branded retail industry having multiple store formats. Ability to control entire value chain gives a competitive edge. With India's rising working women population, customer preference is shifting towards branded and trendy designs from large organised players.



PLAY ON CAPEX

A subsidiary of German MNC, leading player in Indian pumps and valves industry. Rise in industrial capex provides robust outlook for the industry. Its strategy to further expand its product portfolio in railway etc will further aid to its growth.



PLAY ON DEFENCE

Sole manufacturer of surface-to-air missiles, anti-tank guided missiles, with a pipeline of Rs856bn over the next decade. New growth dimension from in-house missiles tecg, operationalisation of greenfield plants for new missiles programs offering long term revenue visibility.



Awards & Recognition



AAAIOP PMS received **Award for Best 10 Years Performance** across categories on Risk adjusted Returns Basis by PMS AIF World 2020



WHAT MAKES THEM TICK?

Equity Diversified Fund Name	Absolute Returns In %	3 M			AUM	Fund Manager
		1 Yr	3 Yrs	AUM		
SBI Magnum Sector Funds Umbrella-Contr	Platinum	-10.1	64.5	476.6	1,120	Sanjay Sinha
Tata Pure Equity	Platinum	-11.2	49.3	298.3	240	M Venugopal
SBI Magnum Global	Platinum	-12.5	62.1	509.3	595	Sanjay Sinha
DSP Merrill Lynch Equity Fund	Platinum	-11.9	52.6	302.8	520	Rajesh Kothari
Prudential Power	Platinum	-10.7	55.9	267.7	1,277	Anil Sarin
Tata Equity Opportunities Fund-B	Platinum	-15.4	48.3	314.0	366	M Venugopal
SBI Multiplier Plus 1993	Gold	-14.3	64.7	382.3	649	Sanjay Sinha
Sundaram Growth	Gold	-10.8	51.3	263.0	124	N Prasad
HSBC Equity	Gold	-10.2	49.0	311.5	900	Viresh Mehta
SBI Magnum Equity	Gold	-8.4	53.0	262.4	193	Sanjay Sinha

Assets Under Management In Rs Crore As On June 30, '06



Dr. Jitendra Singh, Union Minister of State (I/C), Prime Minister Office, giving Certificate of Merit - **CMA Young Achiever Award** - 2014



Rajesh was recognized as the platinum fund manager by Economic Times during his time at DSP MF.

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Protect Capital, Create Wealth

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