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RW INDUSTRY LEADERS ADVISORY PORTFOLIO

Objective

Long term capital appreciation by investing in companies that are the top-3 players of their respective industries.

Strategy

NS Industry Leaders Theme identifies companies that are leaders of their respective industry and are showing growth in value characteristics with expected higher return ratio

Process - Fundamental Bottom Up Research

Information mining, financial modeling, investment thesis, active & rigorous tracking for changes in earnings & quality outlook.

Benchmark - Nifty 100 Index

No. of Stocks
12-18 Stocks

Recommended Min. Time Horizon
3 Years

Why RW Industry Leaders Advisory Portfolio?

Companies with a proven track record of industry outperformance, effective leadership & efficient management usually find themselves as the NS Industry Leaders. In an uncertain economic environment these are the best companies to buy as these companies are run by proven management & leadership team than can navigate difficult times.

Key Features of RW Industry Leaders Advisory Portfolio

Investment in the leaders industries
Investment in the industry leader ensures good governance and continuous innovation in the management

Cap Risk:
The Investment advisory portfolio will have exposure to leaders of the segment which comprise of mostly large cap stocks

Benchmarking:
The Investment advisory portfolio will be benchmarked against the Nifty 100

The portfolio:
The portfolio will consist of 12-18 stocks to provide superior returns.

Growth in Value Framework:
Companies that have improving/higher return ratio are favored.

Bottom Up Analysis:
A rigorous bottom up research of business financials and management strategies is carried out for all portfolio companies.

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Stock Selection Procedure Involving 3 Broad Processes

1 MQC

M - Momentum In Return Ratios The RoE, RoCE or the Free Cash flows of company must be increasing
Q - Quality Return ratios versus its peer as well as broader stock universe.
C - Capital Allocation Management strategy on Allocation of funds

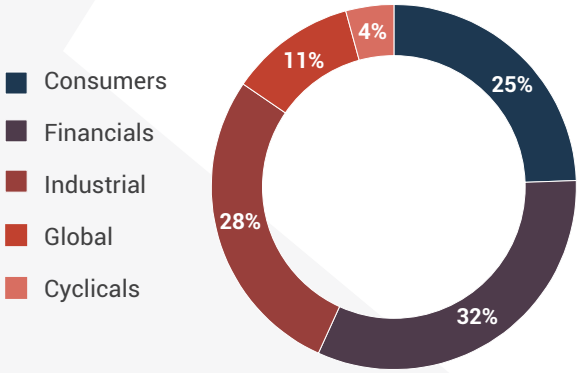
2 360 Degree Deductive Logic Framework

- Sustainable Valuation possible & factors impacting while identifying when market is under-pricing the company
- Outlook on the company Financials-why a company is considered trading below its intrinsic value
- Building a detailed business & financial model to realize the sources of earning & quality delta for the company.
- Management strategy in terms of its finances particularly in terms of source & deployment of capital, marketing strategy in terms of its products, segments, pricing etc.
- State of addressable market & identifying the changing dynamics of that addressable market.

3 Earnings & Quality: Both should be evolving in linear manner

There are three moving parts in terms of fundamental- stock price relation. These are changes in earnings, quality and valuation. Every company in its evolution passes through various stage of its progress. We prefer buying where linearity or a consistent positive delta is expected in earnings profile and the quality profile of the company. A stock before selection for portfolio should be first identified into what stage it is into.

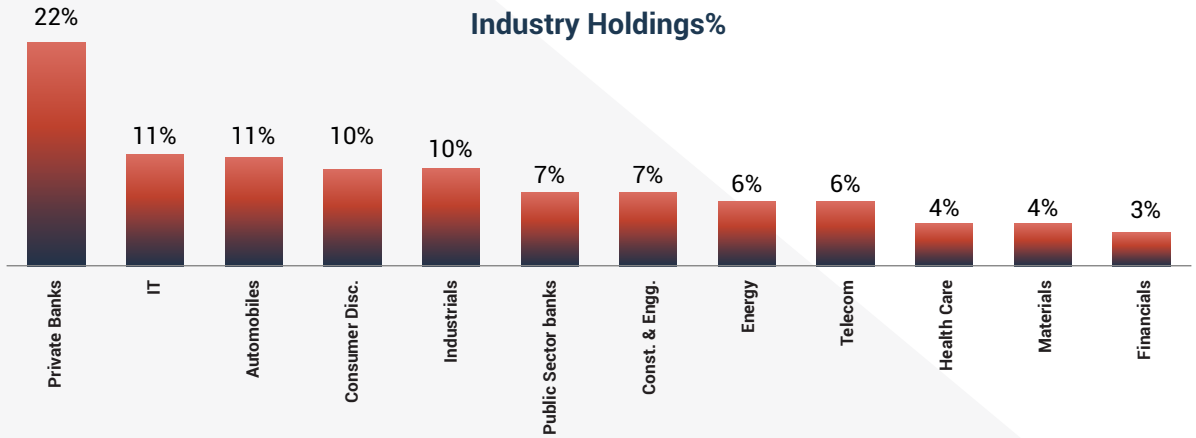
Portfolio Composition



Portfolio Holdings

COMPANY	%	COMPANY	%
ICICIBANK	11%	MCDOWELL-N	5%
HDFCBANK	8%	EICHERMOT	5%
SBIN	7%	CUMMINSIND	4%
LT	7%	DIVISLAB	4%
M&M	6%	ASTRAL	4%
RELIANCE	6%	KOTAKBANK	3%
TCS	6%	BEL	3%
BHARTIARTL	6%	TCIEXP	3%
DMART	6%	BAJFINANCE	2%
CYIENT	5%	JIOFIN	1%

Industry Holdings%



Please Note: Data as on 31st December, 2023. The securities quoted are for illustration only & are not recommendatory. The actual portfolio may differ from the above illustration

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