



## RW INDUSTRY LEADERS THEME

### OBJECTIVE

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

### STRATEGY

RW 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



**Minimum Investment Amt.**  
3,00,000



**No. of Stocks**  
12-18 Stocks



**Time Horizon**  
3 Years



**Expected CAGR**  
14%



**Top-up /Withdrawal Amt.**  
50,000



**Fee Plan**  
2.5% p.a. of your Investment Value + GST

### WHY RW INDUSTRY LEADERS THEME?

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

### KEY FEATURES OF RW INDUSTRY LEADERS THEME

#### 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.



## RW INDUSTRY LEADERS THEME

### STOCK SELECTION PROCEDURE INVOLVING 3 BROAD PROCESSES

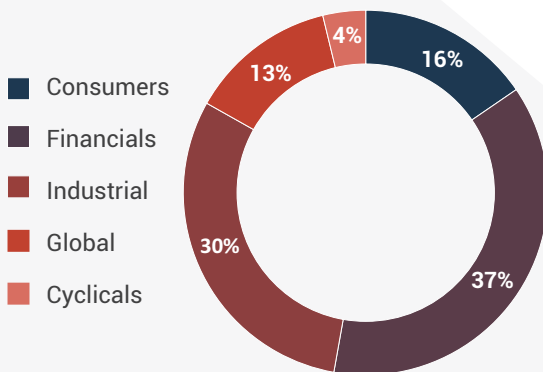
- 1 MQC**

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	12%	CUMMINSIND	5%
BHARTIARTL	9%	DMART	5%
LT	8%	MCDOWELL-N	5%
SBIN	8%	DRREDDY	4%
TCS	7%	ASTRAL	4%
RELIANCE	7%	BAJFINANCE	3%
HDFCBANK	7%	ISEC	3%
AXISBANK	6%	CYIENT	2%
M&M	6%		



## RW INDUSTRY LEADERS THEME

### Return Profile vis a vis Benchmark (CAGR)

Years	RW Industry Leaders	Nifty 100
1 Year	0.4	2.0
3 Years	17.7	14.9
5 Years	11.7	11.2
Since Inception (1st Oct 2009)	19.1	10.5

### Performance Attributes

	Portfolio	Benchmark
Alpha	8.6	
Beta	1.0	
R - Square	74.1	
Sharpe	1.0	0.6
Standard Deviation	19.9	17.2
Max Drawdown	-37.2	-38.1
Annual tracking Error	10.1	
Information Ratio	0.9	

### RW Industry Leaders Return Profile vis a vis Nifty 100 (Rolling Returns\*)

Year	Current	Average	Best	Worst
3 Month	6.78 / 4.84	4.82 / 2.88	39.96 / 32.88	-32.79 / -37.3
6 Month	6.44 / 4.5	9.58 / 5.63	60.47 / 47.26	-30.24 / -34.28
1 Year	0.42 / 2.03	20.61 / 11.9	100.05 / 93.7	-30.25 / -33.53
2 Year	26.54 / 24.61	20.34 / 11.43	62.3 / 50.34	-14.49 / -13.67
3 Year	17.7 / 14.87	20.45 / 10.91	47.41 / 23	-6.04 / -6.33
4 Year	15.88 / 14.53	20.94 / 10.95	41.78 / 18.07	4.48 / -0.28
5 Year	11.65 / 11.18	21.55 / 11.23	36.69 / 18.32	4.43 / -2.02

Please Note: Data as on 31st October, 2022. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns. The above portfolio allocation will be assessed every month to ascertain sector and scrip reshuffling. Kindly contact your RM for the latest allocation.

\*Rolling return is the average annualized return on a particular date. Rolling return is used to eliminate the bias present in point-to-point return. As financial markets are volatile, rolling returns provide a clearer picture of performance than the point-to-point return.