

# ALPHA BLUECHIP

Fundamentals Research

# Our CIO & Founder



Pankaj Murarka

- Pankaj has over 20 years of experience in Indian Equities with excellent performance track record. He has worked with Motilal Oswal, Rare Enterprise (largest Principal Investor in India), Merrill Lynch & Axis AMC.
- His last stint was with Axis AMC as CIO, Equities managing and overseeing equity AUM of \$ 3bn. Axis AMC emerged as the fastest growing Asset Management Company in India during 5 years from 2011-2016.
- Pankaj has managed funds across Large Cap/ Mid Cap/ Small Cap with stellar track record of performance across funds.
- Several accolades to his credit:
  - Recognized by Outlook Money as a Leading Fund Manager with 5 years of track record of consistent performance in the year 2015
  - Best Fund Manager – Runner-Up for Axis Mid Cap Fund in 2014 by Outlook Money (from over 40 funds)
  - Axis Small Cap Fund – Best performing Small Cap fund in 2014 with 84.3% returns

# Our Fund Manager



Pawan Parakh

- Pawan has over 15 years of experience in investment research. He started his capital markets career with Edelweiss Securities as an equity analyst. Over the years, he has worked with several marquee organizations like Deloitte, HSBC and HDFC amongst others.
- He actively interacts with company managements and industry experts to gauge the upcoming trends/ disruptions across various sectors. He likes to travel across the country to gain better understanding of ground realities. He has depicted ability to understand different business models across multiple sectors.
- Over the years, he had hands-on coverage on multiple sectors and he has been a highly rated analyst by Asiamoney for his research on sectors like Industrials, Infrastructure and Power.
- Pawan is a meritorious Chartered Accountant (all-India 48th Rankholder). He has also cleared all levels of CFA program conducted by CFA Institute (Virginia, USA).

# Awards & Accolades

FINANCIAL  
Chronicle  
**mydigitalfc.com**  
India's first global business networking platform

The **Finapolis** Business Standard

**HEDGE CONNECTION**

**THE ECONOMIC TIMES**



IN SEARCH OF A LEADER

*ET Magazine Point*

EXPANSION IN VALUATION CAN'T GO ON FOREVER

*ET Bureau*

HELLO RBI, YOUR INFLATION FIGHT MAY BE MISSING FOREST FOR THE TREES

*ET CONTRIBUTORS*

INDIA'S 3-DIMENSIONAL TRANSITION FOR ESCAPE VELOCITY

*Hedge Connection*



# Investment Philosophy

## Growth Biased Investing



Focused on investing into **Quality** business that can deliver **sustainable** high **growth** over medium term to long term.

Be selective in **cyclical** business

**Risk Management is central to Investment Management.**

# Investment Strategy - SQGARP

## Sustainable Quality Growth At Reasonable Price (SQGARP)™



Sustainable & Quality Growth



Sustainable Competitive Edge



Reasonable Price



Bottom up stock picking

# How do we identify “Business Leaders”



1

Duopoly Markets and Expanding Portfolio



2

High growth in a matured industry



3

Leader in Emerging Industry



4

Superior Economic Value



5

Management or Strategy Change

# Risk Management Framework

**Quality Risk**  
Zero tolerance via  
Good Business Selection

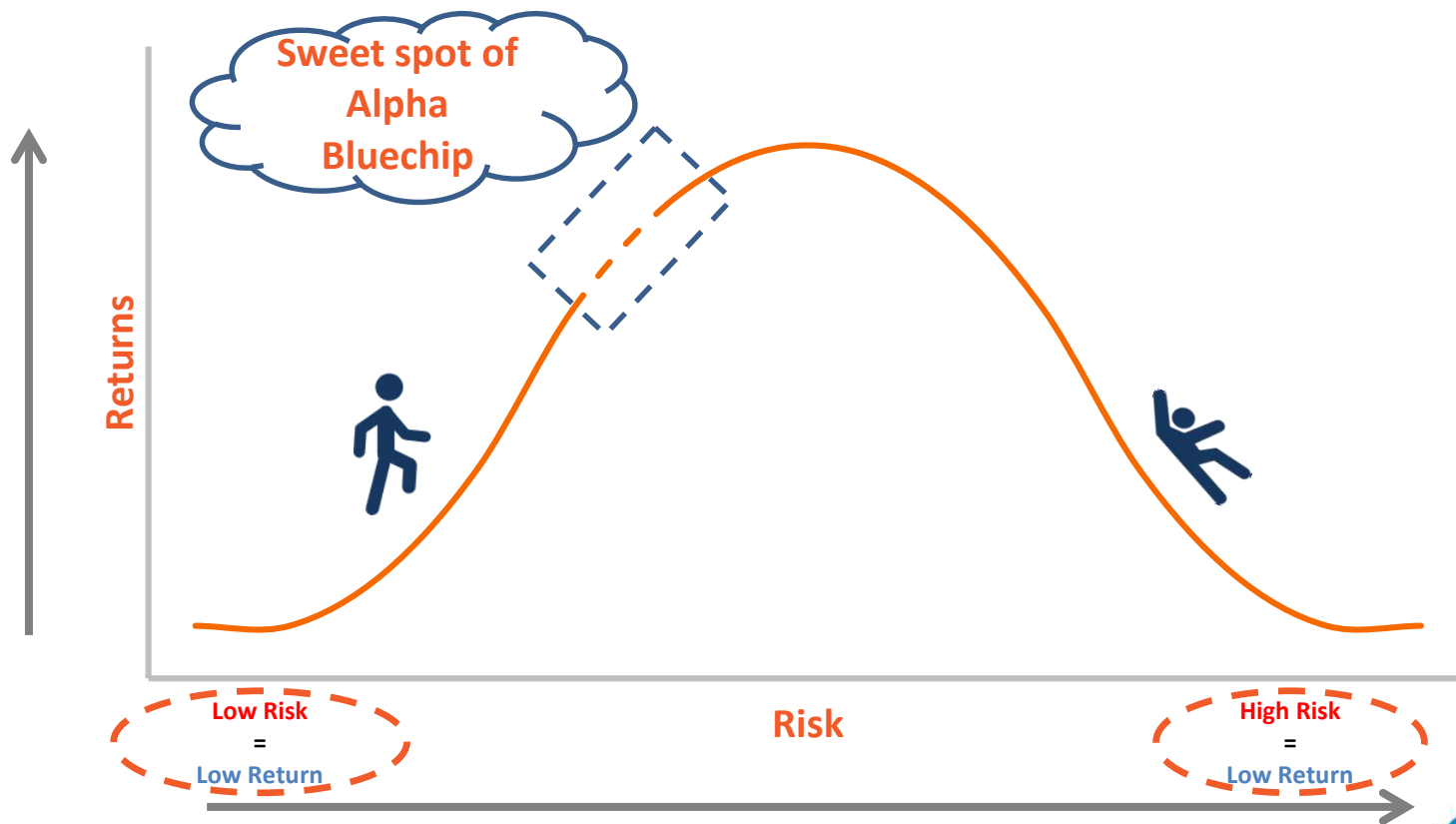
**Price Risk**  
Minimize through Fair  
Value based stock  
selection

**Volatility Risk**  
Mitigate through  
monitoring of Sector &  
Stock exposure

**Liquidity Risk**  
Restrict investing into  
highly illiquid stocks



# Superior Returns @ Moderate Risk



## “Blue-chip” = Business Leadership

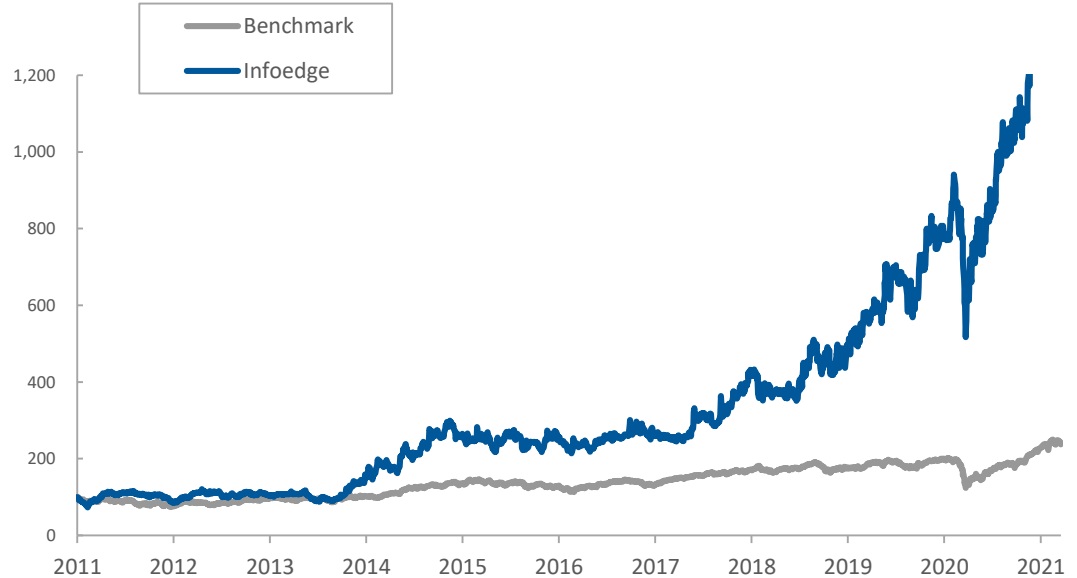
	Top 10 Holdings	Industry Positioning
1.	BHARTI AIRTEL	<b>No. 2</b> Telecom Company
2.	ICICI BANK	<b>No. 2</b> Private Bank
3.	ADITYA BIRLA FASHION & RETAIL	<b>No. 1</b> Branded Apparel Company
4.	RELIANCE INDUSTRIES	<b>No. 1</b> Conglomerate Company
5.	AARTI INDUSTRIES	<b>No. 1</b> Chemical Company
6.	SUN PHARMACEUTICALS	<b>No. 1</b> Pharmaceutical Company
7.	INOX LEISURE	<b>No. 2</b> Multiplex Player
8.	VIP INDUSTRIES	<b>No. 1</b> Luggage Brand Player
9.	HDFC Bank	<b>No. 1</b> Private Bank
10.	TATA CONSULTANCY SERVICES	<b>No. 1</b> Information Technology Services Company

# Bluechip Case Study

## First Mover Advantage in High Growth Industry : Info Edge

	XIRR (%)
Stock	44
Nifty	11
Alpha	33

- Company is one of the first movers in internet space.
- It had the vision and strong execution to move jobs/ matrimony and other categories from traditional platforms to online channel.
- Business has strong cash flows and sticky client/ customer profile.
- Market leadership and Long term growth potential justifies sustained premium valuation



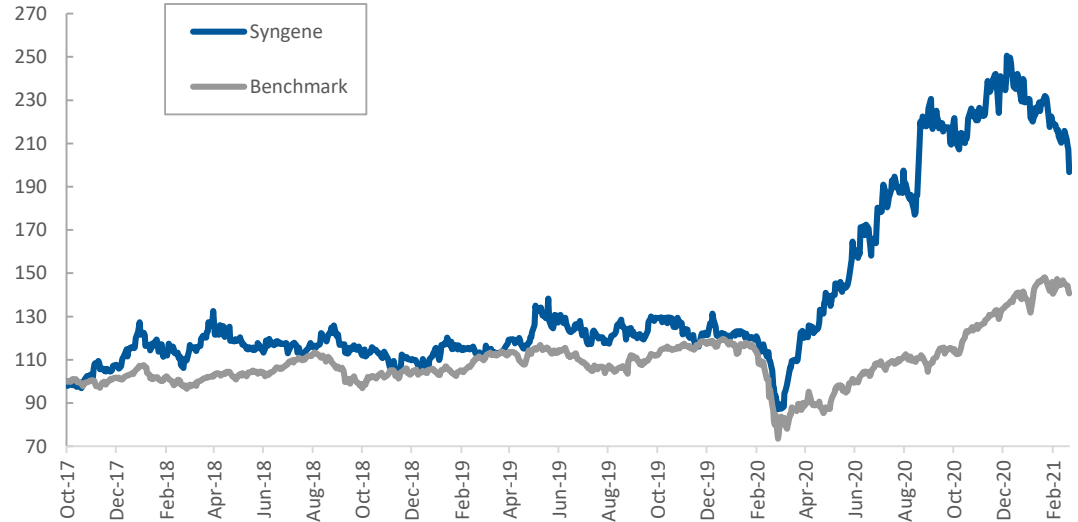
Source: Bloomberg

# Bluechip Case Study

## Leading CRAM's Player : Syngene International

	XIRR (%)
Stock	29
Nifty	11
Alpha	18

- India's leading CRAM's with key strength in discovery services
- Operates dedicated research centres for Global majors like Abbott, Baxter etc. which serves as validation for quality services
- Long standing customer relationship lend stability to business model of the company
- Syngene's constant growth ahead of the market has made him a very prominent player all over Asia.



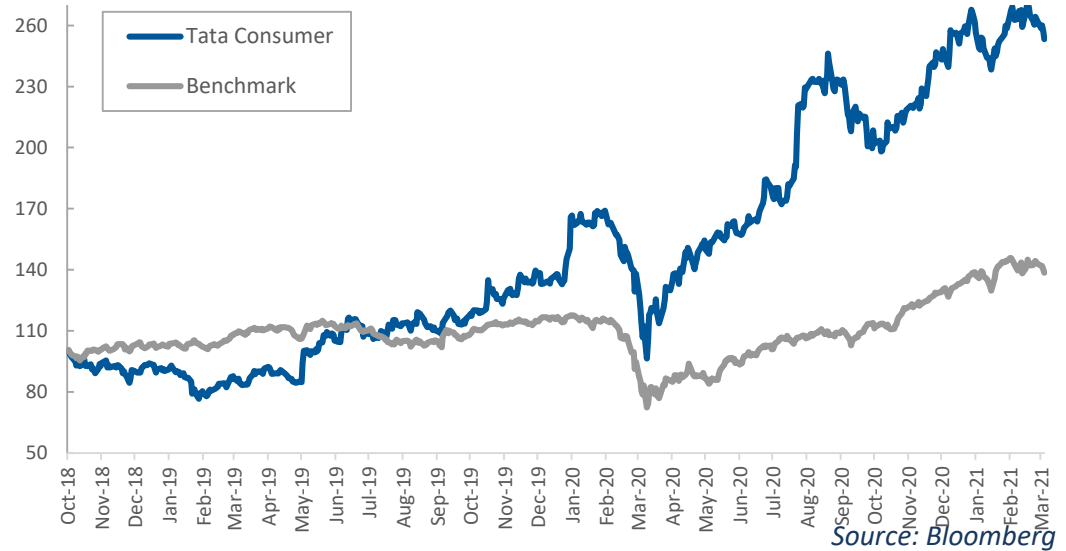
Source: Bloomberg

# Bluechip Case Study

## Leading FMCG Player : Tata Consumer Products

	XIRR (%)
Stock	63
Nifty	16
Alpha	47

- 2<sup>nd</sup> market Leader with 20-22% share in India
- Present in diversified segments like Tea, Coffee, Staples, Snacks & Water
- Expanding their Product Basket every year
- Strong brand name “Starbucks” under its portfolio through JV
- Expansion of Distribution reach for overall consumer business with merger of Salt business



# Moderate Risk Equity Portfolio

**High Quality  
Growth Portfolio**

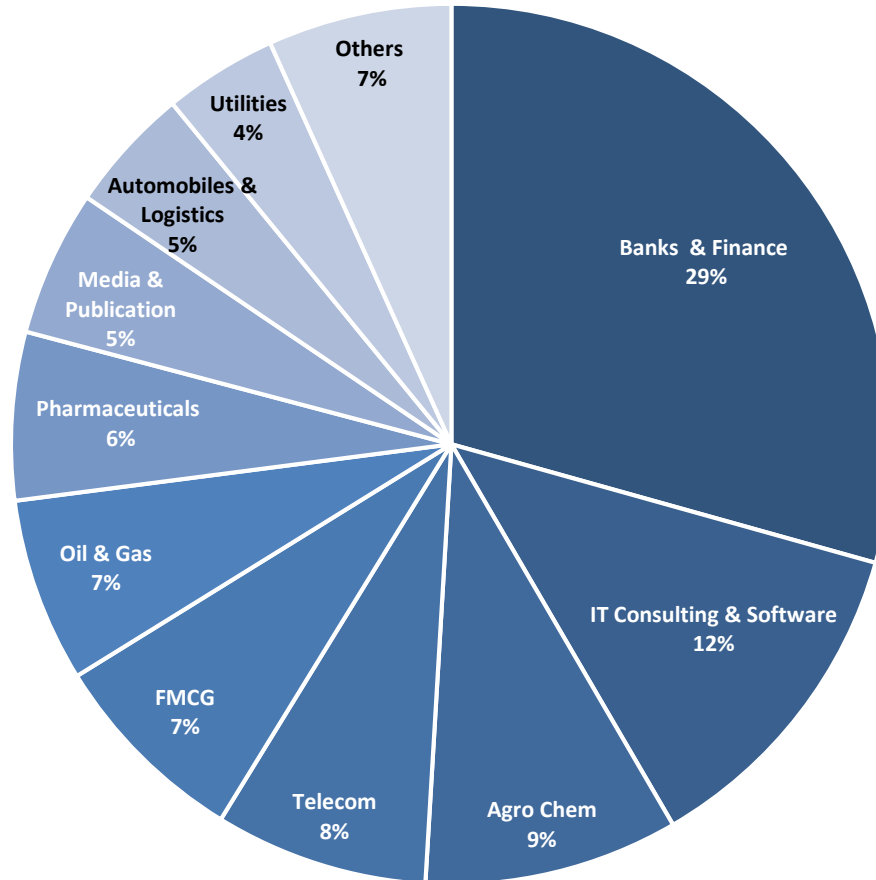
**Strong Business  
Moat**

**Formidable  
Competitive Edge**

**Focused Multi Cap  
Portfolio of 15-20  
Stocks**

**Low Mortality  
Portfolio**

# Sectoral Allocation – Well diversified



# ALPHA BLUECHIP: REBALANCE CRITERIA

Long Term Growth becomes  
Questionable

Overexposure in a particular  
Company/Sector

Structural change in business model of  
the company

Change in outlook of some sector or  
company



# In a nutshell...



“

Focus on  
Superior Risk  
Adjusted  
Returns

”

## Statutory Details

SEBI Registered Investment Adviser (Reg No.:- INA 000014827) | SEBI Registered Portfolio Managers (Reg No.:- INP 000005455) | Cat III Alternate Investment Fund (Reg No.:- IN/AIF3/1819/0549)

## Disclaimer

The performance/returns of the stock across Individual portfolios may vary significantly from the data depicted above. No claims may be made or entertained for any variances between the above performance depictions and that of the stock within individual client portfolios Neither the Investment Adviser, nor its Directors, employees shall in any way be liable for any variation noticed in the returns of individual portfolios. Performance of RIMPL shall have no bearing on the expected performance of the fund. Past performance of the financial products, instruments and the portfolio may or may not be sustained in future and should not be used as a basis for comparison with other investments

## Risk Factors

The value of the investments may be affected generally by factors affecting financial markets, such as price and volume, volatility in interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws) or other political and economic developments. RIMPL is not liable or responsible for any loss or shortfall resulting from the operation of the fund This document represents the views of Renaissance Investment Mangers Private Limited and must not be taken as the basis for an investment decision.



**Thank You**

---