

Core Portfolio Strategy

Equity investments with SGMPL

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About Sovereign Global (SGMPL)

Our Team



Why Equity Markets?

1.INCOME

2.LIQUIDITY

3.DIVERSIFICATION

4.OPPORTUNITY FOR GROWTH

5.POTENTIAL FOR HIGHER RETURNS



**“Price is what you pay,
Value is what you get”**

Equity Desk at SGMPL: Introduction



- At SGMPL, we strive to give meaning to our name by creating wealth for our investors in Long-Term. However, we also firmly advocate, that the wealth creation should be a continuous process and should not be market linked practice.
- The equity desk at SGMPL offers a bouquet of product and research services, which cater to all type of investors (Aggressive, Moderate and Defensive) and help them to meet their financial goals through their investments in Equity Markets

Our Products

- SGMPL Core Portfolio (Buy And Hold Strategy)
- SGMPL Trend Folio (Momentum Strategy)
- SGMPL Long-Short Folio (Hedged Strategy)

Our Services

- Investment Research Services (Delivery-based Investment Ideas)
- Trading Research Services (Positional Short Term Trading Idea)
- Portfolio Review Services
- Educational seminars, class room training and e - learning modules*



Value Investing

- Picks stocks that appear to be trading for less than their intrinsic or book value
- Underlying logic of value investing is to purchase assets for less than they are currently worth, hold them for the long-term, and profit when they return to the intrinsic value or above

Price to Book Value, Price To Earning, Free Cash Flows, Margin of Safety etc.



Growth Investing

- Stock-buying strategy that looks for companies that are expected to grow at an above-average rate compared to their industry
- Underlying Logic of growth investing is to look for investments in rapidly expanding industries
- Growth investors look for profits through capital appreciation

Strong Historical Earnings Growth, Strong Forward Earnings Growth, Strong Profit Margins, Strong Return on Equity (ROE)

Key performance Indicators

Overview

- Long-term “Buy and Hold” investment strategy
- The key cohorts of Core Portfolio formation are:

**Stock
Identification**

Fundamental &
Technical parameters

**Stock
Monitoring**

Inclusion in watch
list

**Portfolio
Inclusion**

Entry at right price
point

Core Portfolio investment is for a period of **12 months and higher**

Objective

- To achieve **long-term capital appreciation** by primarily investing in ‘**listed securities**’

Strategy

- **Long only with a bottom-up stock selection approach**

Philosophy

- **Outsized returns are earned over time** by investing in great businesses at attractive values
- A great business, in our view, is one that is **well managed, scalable** and **generates superior returns on incremental capital**

Advantages of Core Portfolio

- Well diversified (15-20 stocks)
- Low cost (very less churning in portfolio as holding period is more than 6 months)

Methodology

- The portfolio stock selection is done based on fundamentals of the companies. However, entry point in the stocks are decided based on long-term charts
- In Core Portfolio, stocks are kept for a **minimum period of 3-4 quarters (9-12 months)** or till the time there is sudden turn around in the fundamentals of the company.

Company Allocation

- Maximum allocation to a single scrip is limited to 10% of the total portfolio



Company Selection Criteria

- Well managed scalable business
- Corporate Restructuring
- Superior Returns on Capita

Sector Allocation

- Any specific sector is limited to 25% allocation of overall portfolio.



Sector Selection Criteria

- Capture Turnaround/ cyclical / Secular Trending sectors
- Least government intervention

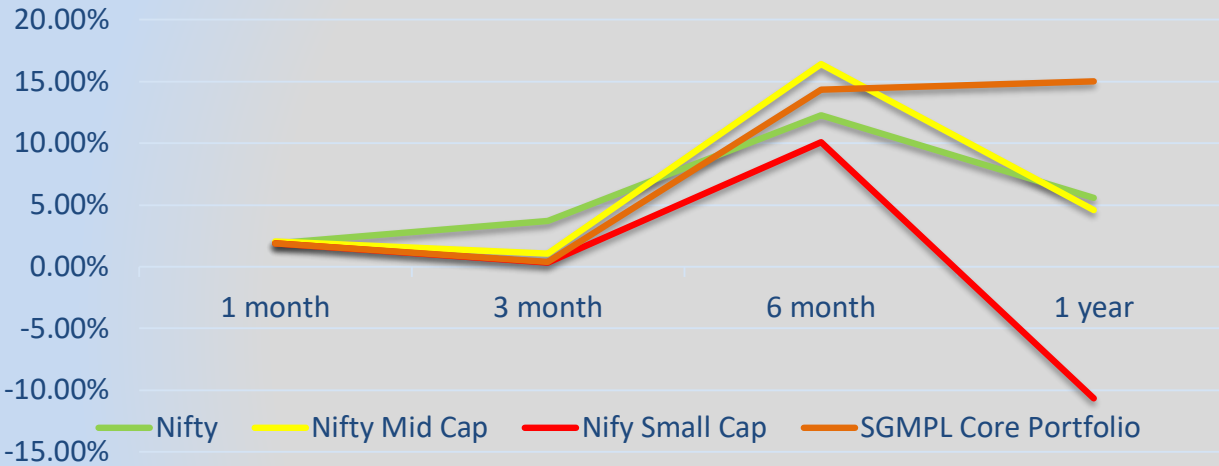
Portfolio Diversification

- Achieved by considering the company and sector allocation criteria
- Kept short and concise limiting the no. of scrips in portfolio to 20
- Objective is to optimise transactions with in-depth research and market understanding

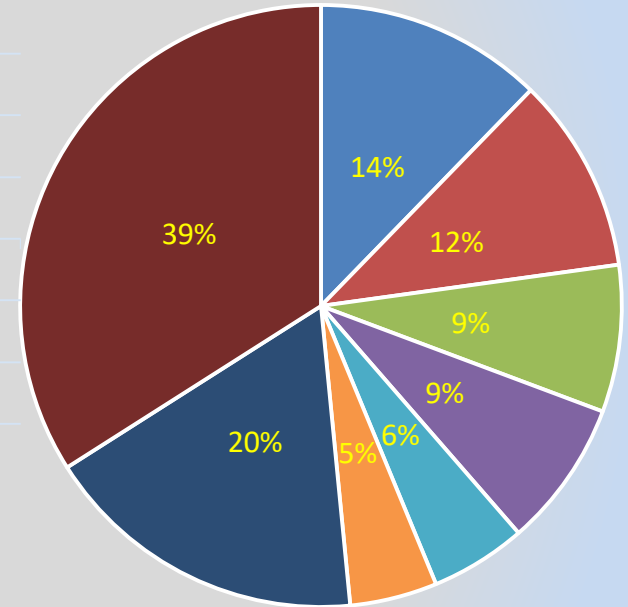
Core Portfolio performance & Top Holdings



Past Performance:



Sector break-up of present Portfolio



- Cement
- Logistics
- Real Estate
- Pharmaceuticals
- Paper Products
- Liquor
- Cash
- Other

Strictly Confidential

- **Sovereign Global Markets (P) Ltd.** is a comprehensive financial boutique firm specializing in **fixed-income markets**, **Equity research**, **establishment** and **analysis**
- Our roots originate from **Fixed Income Prop Trading**
- The company is run by industry veterans with more than 20+ yrs of experience in the Fixed Income and Equity Market
- Our capability to be **present in the market** at the **right time** backed by our **extensive research** helps us to generate **superior returns** for our clients
- We offer a wide range of products and services across:
 - *Fixed Income offerings*
 - *Equity offerings*
 - *Third Party products*

Umesh Tulsyan: MD & CEO

- A seasoned Fixed Income **Fund Manager with 21+ years of experience** in the financial services sector
- Managed Rs **1000cr + Fixed Income portfolio** for clients, which includes **Institutions, Family Office, UHNI's** etc.
- *Starting with a Prop Book Size of only Rs 25 cr, he has delivered consistently y-o-y returns over and above small saving returns to take the **book size to Rs 700 cr** and was involved in **Rs 30 bn. to 40 bn. per annum** trading volumes in the last few years*
- *Founded Sovereign Global in 2010 and since 2018 spearheading the company in various financial market segments*

Nidhi Tulsyan: Executive Director

- Nidhi has been an active participant in **the financial markets for the last 15 years**
- Presently managing day to day operations at Sovereign Global
- She is also heading business from the southern part of the country
- She has a keen eye for detail and a go-getter attitude

Anuj Dixit: Head – Executive VP- Equity

- Anuj has a rich experience of **over 20 years in the financial services** sector with **expertise in fund management, research and proprietary trading**
- Erstwhile, he has held various positions with houses like **Wallfort Financials, Darashaw, GEPL Caps & FirstCapital**
- He has also worked very closely with **HNIs and family offices** during his previous stints
- With SGMPL, Anuj Dixit is responsible for **formulating and implementing various investment strategies** for clients and Propriety funds.

Ajay Minocha - Director

- Ajay Minocha is an ex-banker. He brings with himself over **two decades work experience in retail banking and capital markets**. He has been responsible for launching bank branches, training manpower and compliance.
- He firmly believes in **solutions-based approach towards wealth management**; a skill which has been honed through numerous interactions with entire spectrum of customers in retail and private banking segment.
- At SGMPL Ajay spearheads wealth management solutions for the new generation India

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