

**NFO Period:**  
**14th - 28th February 2024**

Distributed by



**Understanding  
tech can be tough.  
Investing in it  
has become easy.**



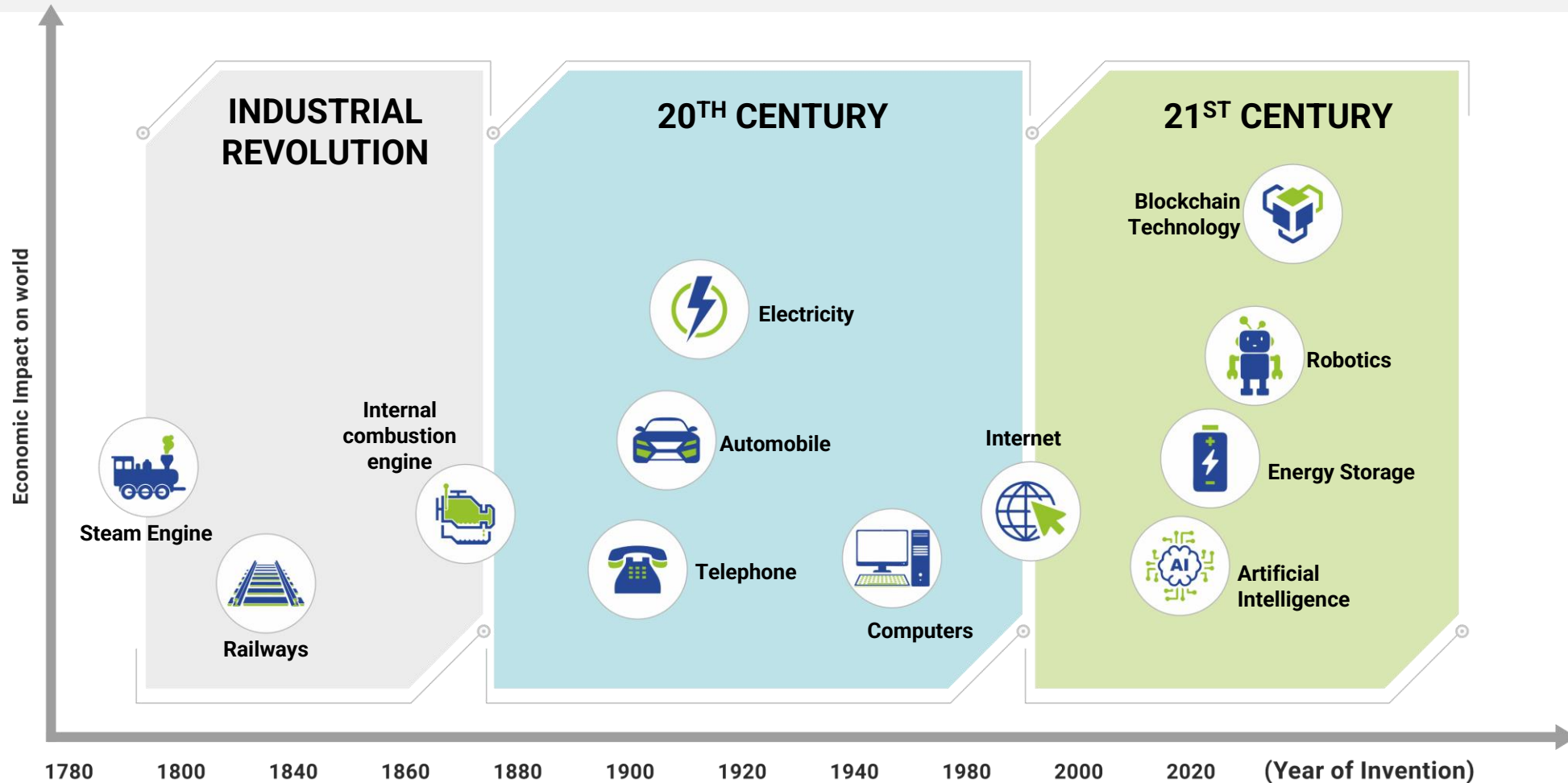
Presenting the  
**Edelweiss**

**TECHNOLOGY  
FUNDS**

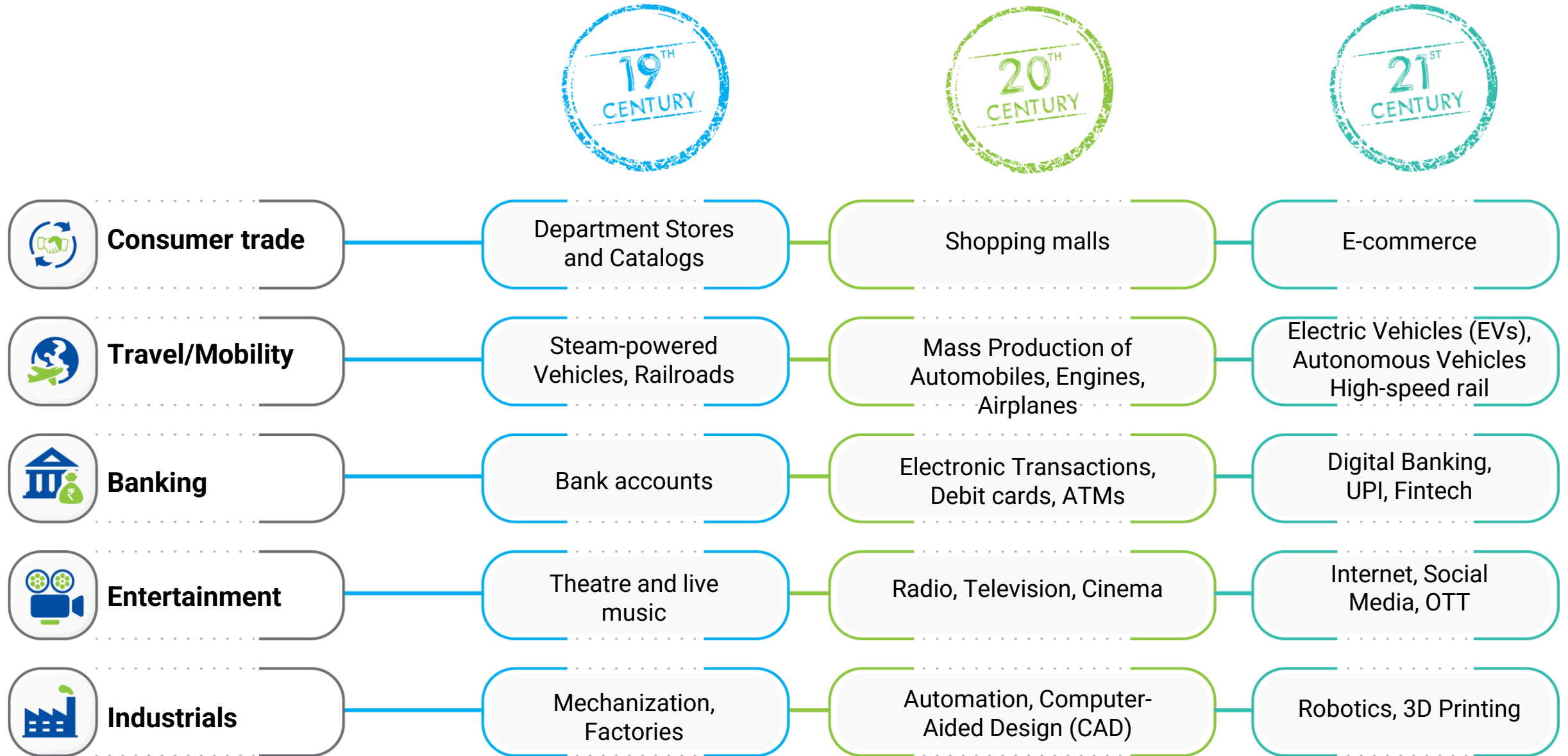
An open-ended equity scheme investing in  
technology & technology-related companies.

# Technology has forged an extraordinary transformation across sectors

Over the centuries, numerous technological innovations have significantly influenced the global economy. However, the latest advancements in technology are poised to generate some of the most substantial economic impacts in history.



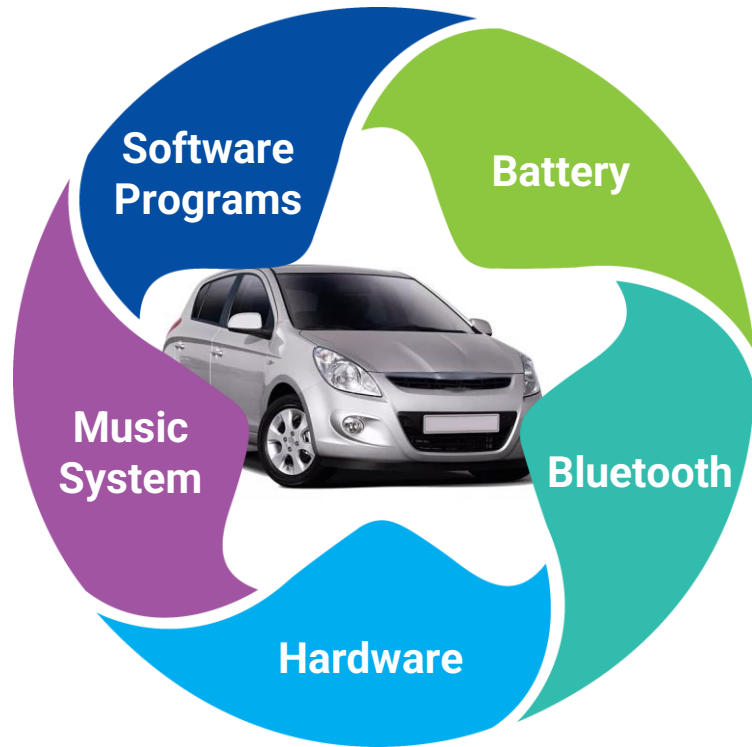
# Each era builds upon the technological innovations of the past



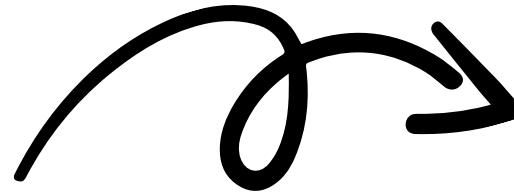
# Integration of technology is on rise

The use of advanced technology in a car has increased from 10% to 70% in the last two decades

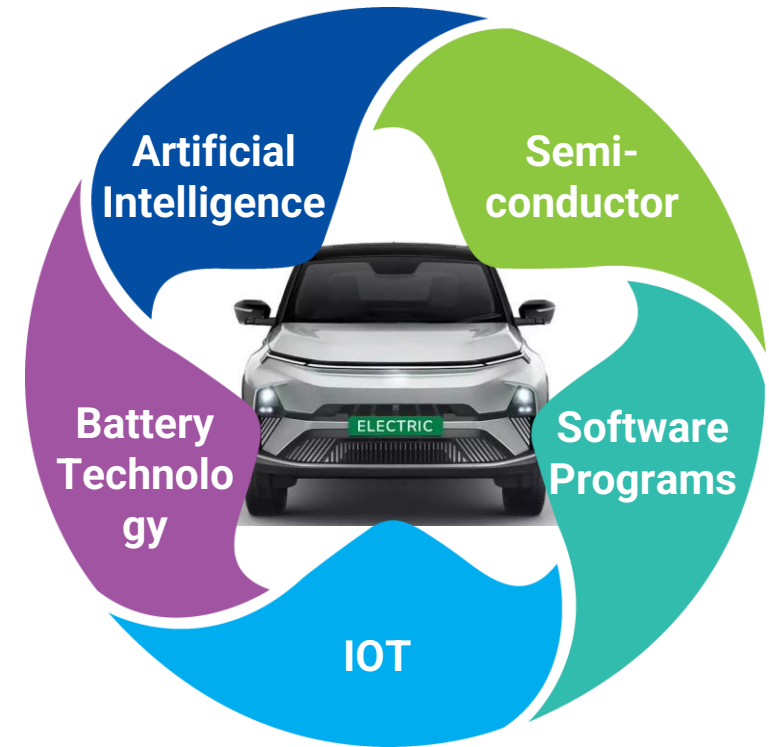
ICE CAR in 2010



Share of new age tech: 10%



EV in 2023



Share of new age tech: 70%



# Use of technology has enhanced reach and impact

From traditional stock trading in 1990 to dematerialization in 1996 and the emergence of mobile trading in 2023, daily market volume soared from 100 crores to 80,000 crores.

Investor numbers surged from a few lakhs to 13 crores in the past three decades.

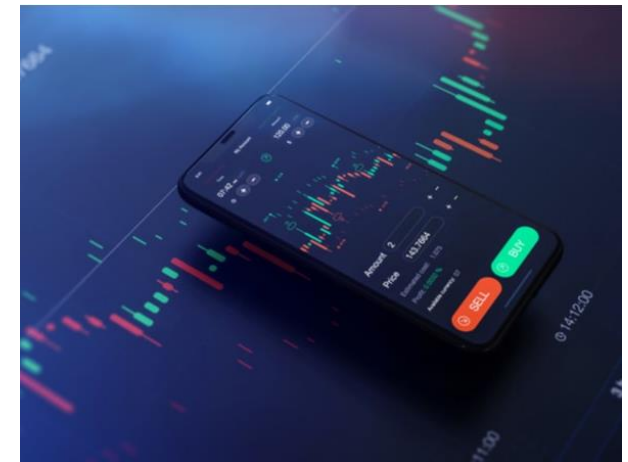
## 1990 - BSE Ring



**Daily Volume – \$100+ cr.**  
**No. of investors - ~5 lakh**

**Electronic trading - 1994**  
**Dematerialisation - 1996**

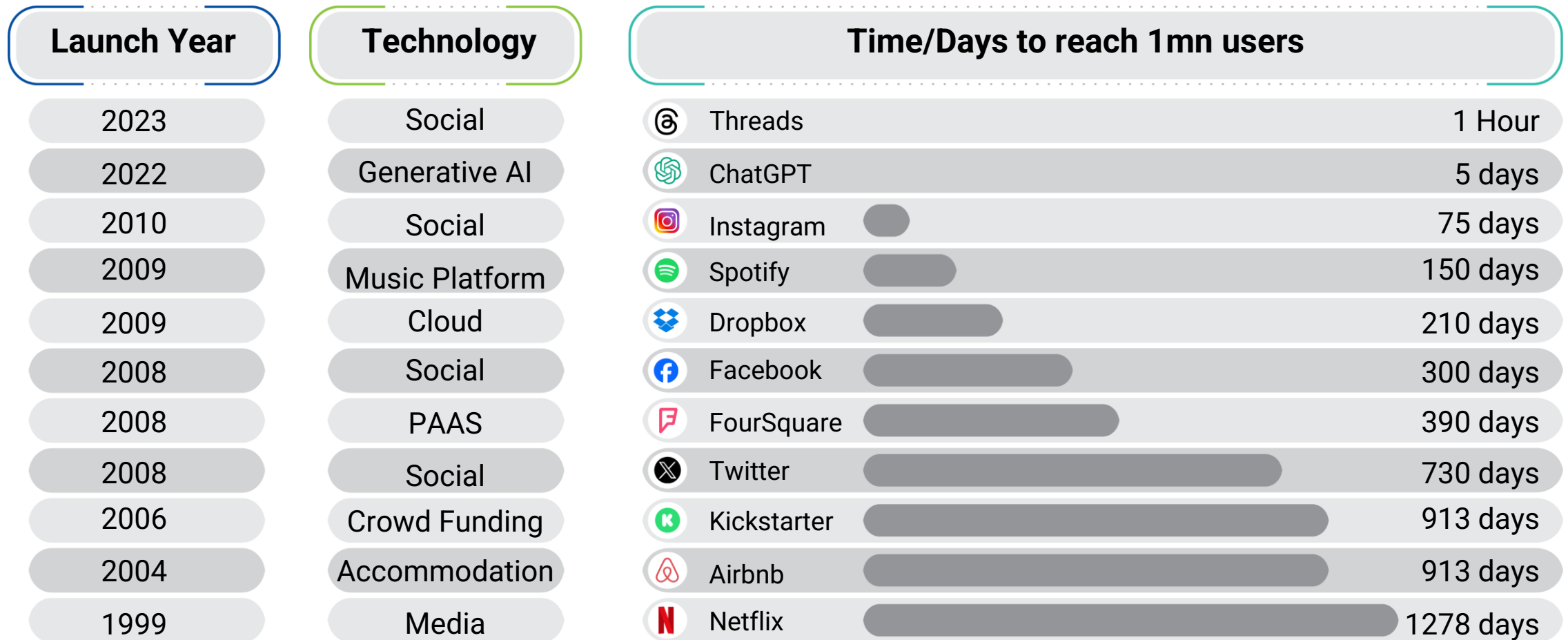
## 2023 – Mobile Trading



**Daily Volume – \$80,000+ cr.**  
**Demat A/C – ~13 cr.**

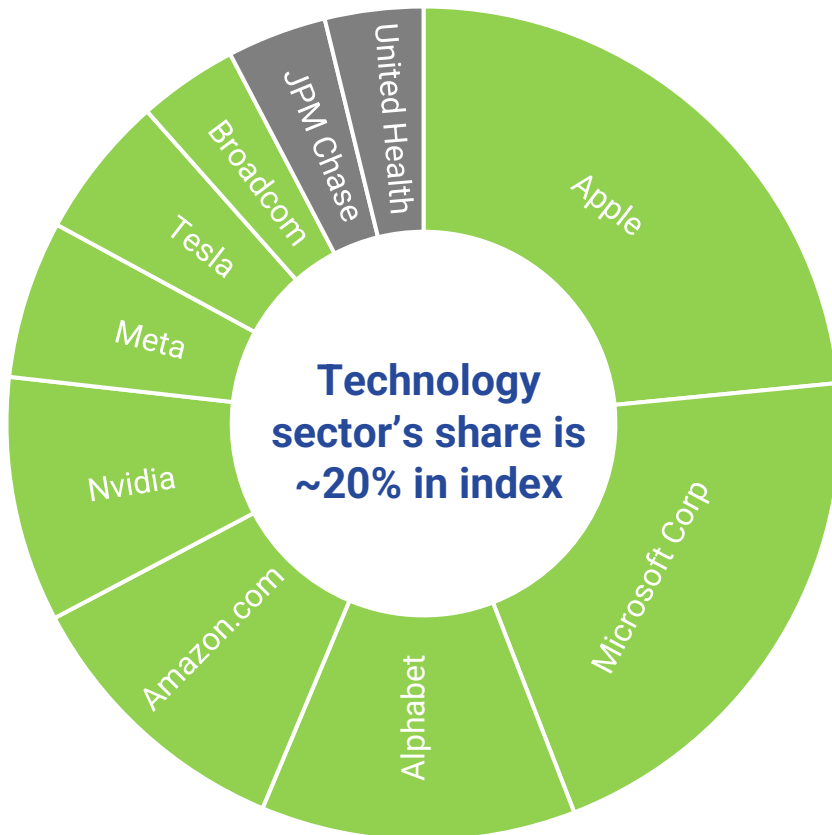
# Technology adoption is rapid in this era

The adoption of new technology and the disruption of old ones now occur much faster.

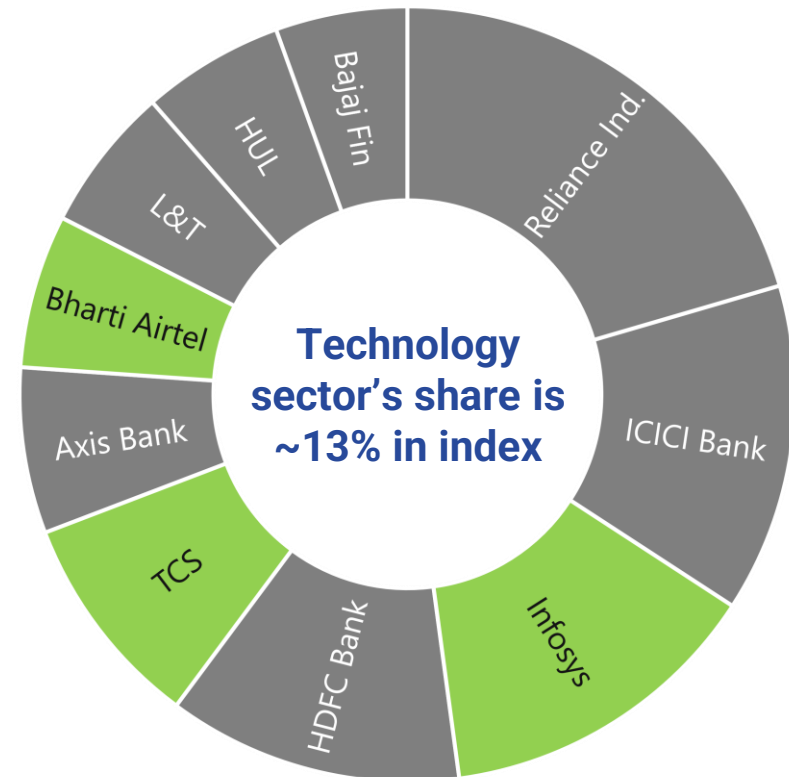


# Technology sector rules global equity markets

**8**/10 largest companies in MSCI World Index are from Technology Sector

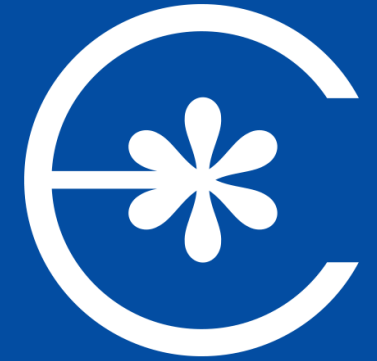


**3**/10 largest companies in MSCI India Index are from Technology Sector.



# Technology landscape in India

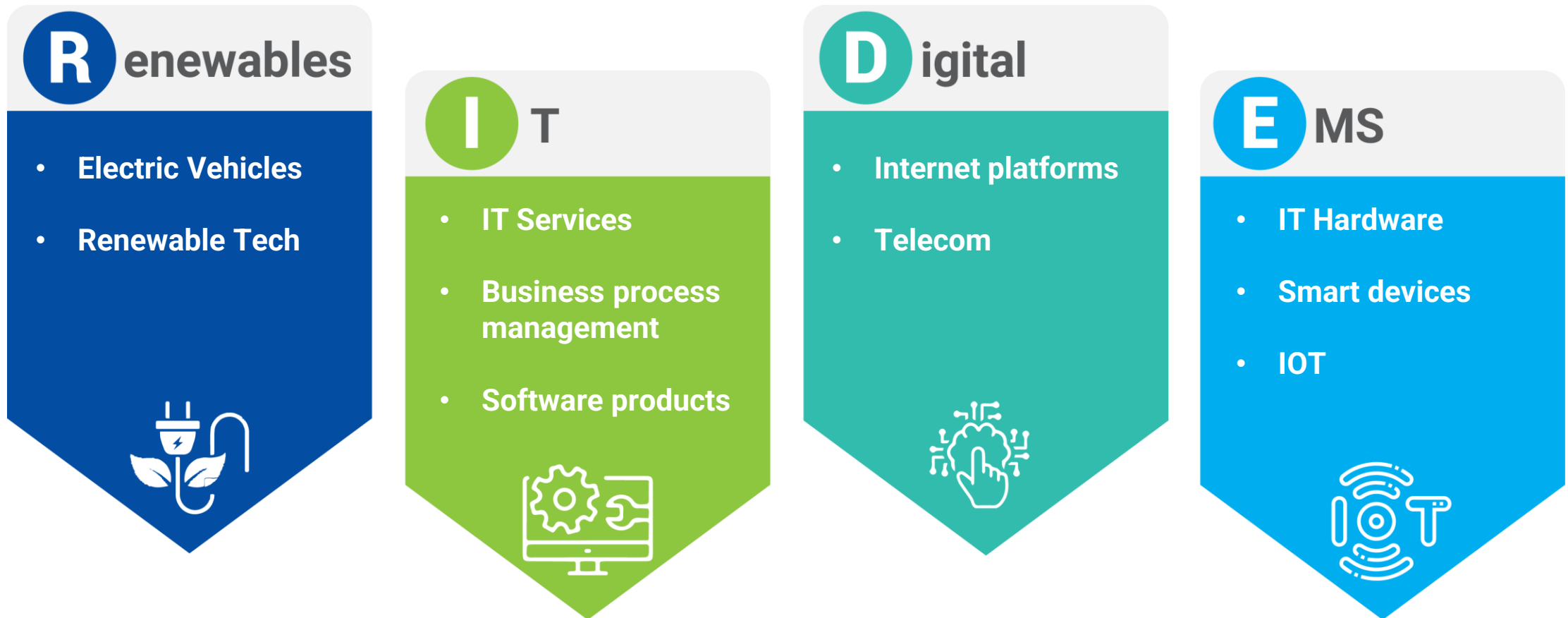
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# RIDE the technology wave of India

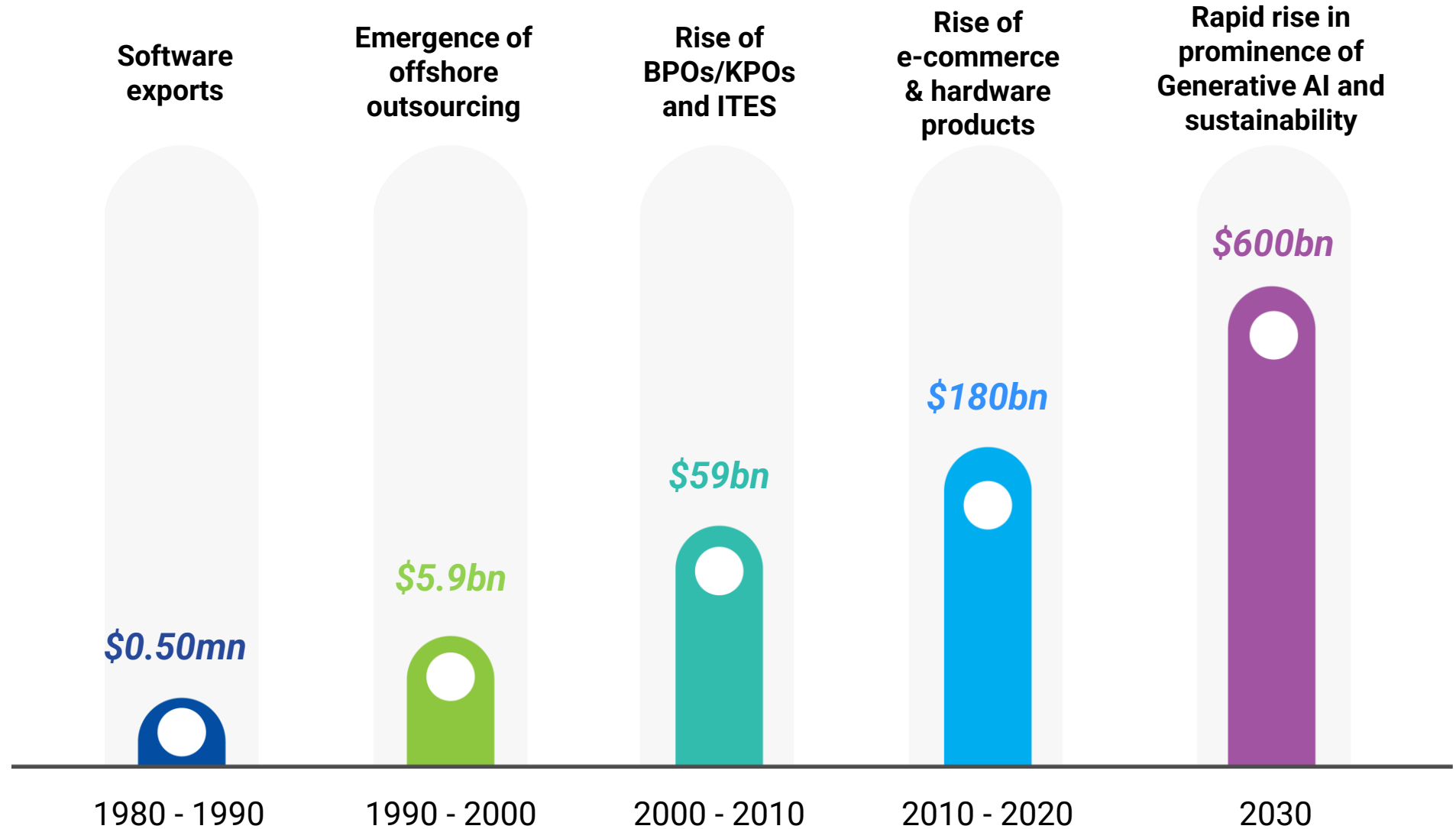
Digital revolution has led to widespread opportunities within technology space



# Significant strides of the Indian IT on the global stage

*Evolution in Indian Tech services:*

*IT Export Revenue:*



# Indian IT Services fortifying its leadership

India exhibits the highest re-skillability index supported by a huge talent reserve with fresh additions to talent pool expected to increase by 2x by 2028.

57%

Share in Global outsourcing

60%

Firms use India services in technology for testing purposes.

2<sup>ND</sup>

With 16% of the world's AI talent pool, India ranks 2nd largest in the world

2x

3.4% in 2011 to 6.2% in 2022 – Indian IT services market share

10<sup>TH</sup>

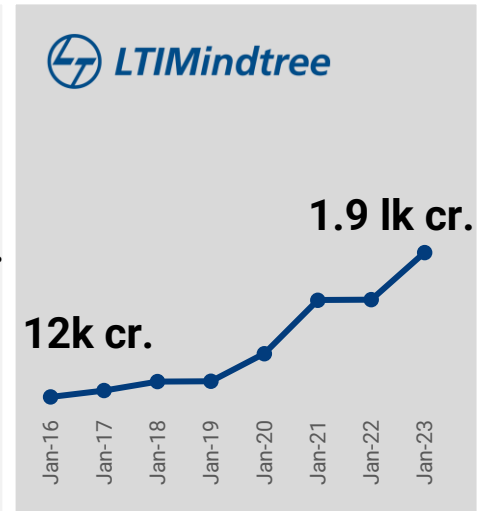
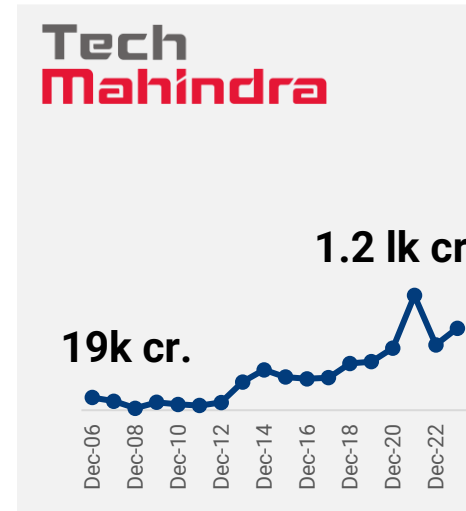
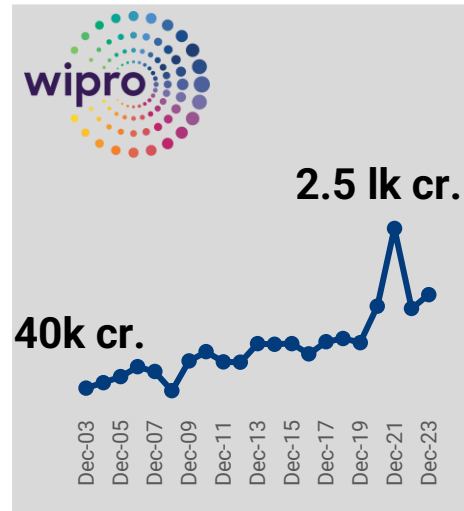
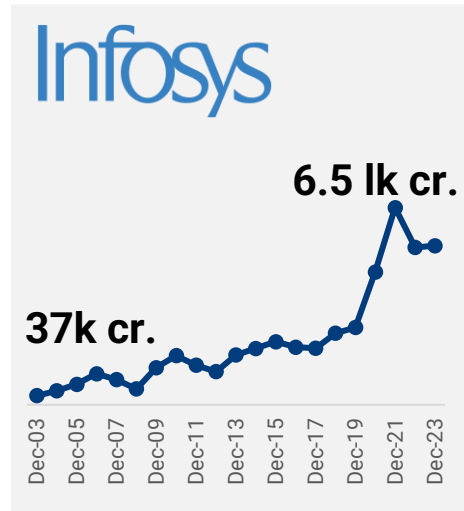
Rank in Global cybersecurity Index

2.25 MN

STEM\* graduates annually

# Indian IT bellwethers have stayed relevant for decades

## Rise in Market-cap over the years



## Initiatives by Indian companies to build capabilities for the future:

- Proprietary tool that generates software using AI/ML.
- >50k associates trained in AI, plan to have a pool of 100k Gen AI trained associates

- Working on open-source as well as proprietary platforms in Generative AI.
- Trained 40k employees on Gen AI

- Enterprise knowledge mining, virtual assistants, content creation etc
- US\$1 bn investment over 3 yrs, training the entire workforce

- Launched its suite of AI offerings, structured and customized aspects of AI, bringing all six aspects of content generation – code, document/text, image, video, audio, and data - under one roof

- Gen AI platform that will allow enterprises to accelerate their concept-to-value journey.
- US\$40-50 mn spends planned on AI capability and offerings in FY24

# INFOSYS: Evolving through the decades across Tech cycles

## Decade of FY00-FY10:

Expansion beyond mainstay strength of Application Development and Management to more complex and emerging areas of outsourcing

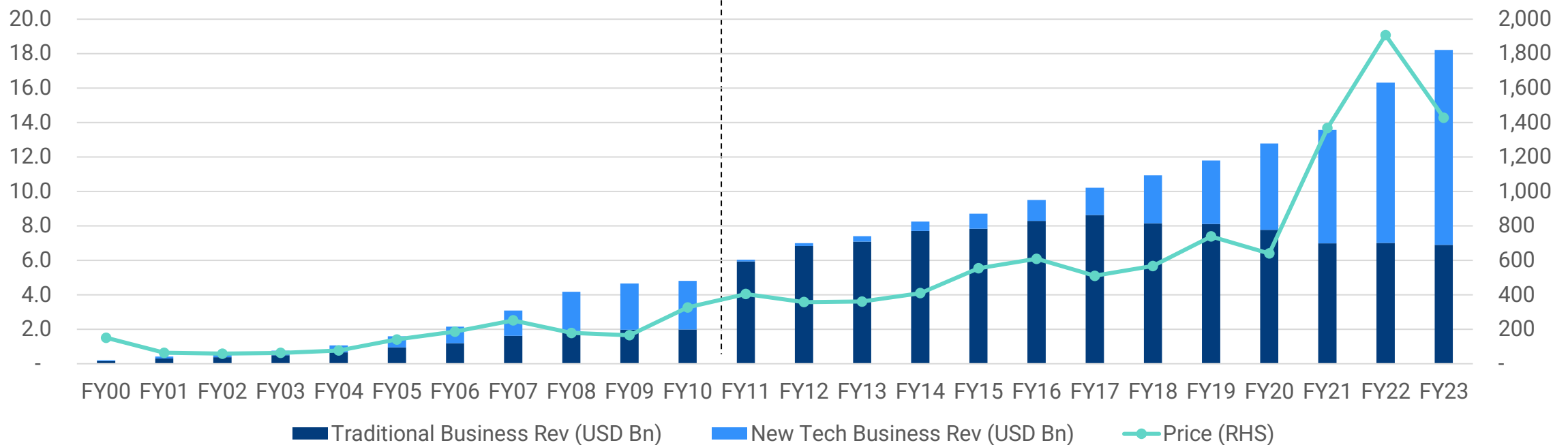
## Decade of FY10-FY20:

Adapted to Disruptive Technology around Digital Tech – Social Media, Mobile, Analytics and Cloud (SMAC) ensuring its relevance and dominance

## Decade of 2020 onwards:

Post COVID, designed Digital Transformation Agenda for global corporations (LEADER status in 56 Digital categories)

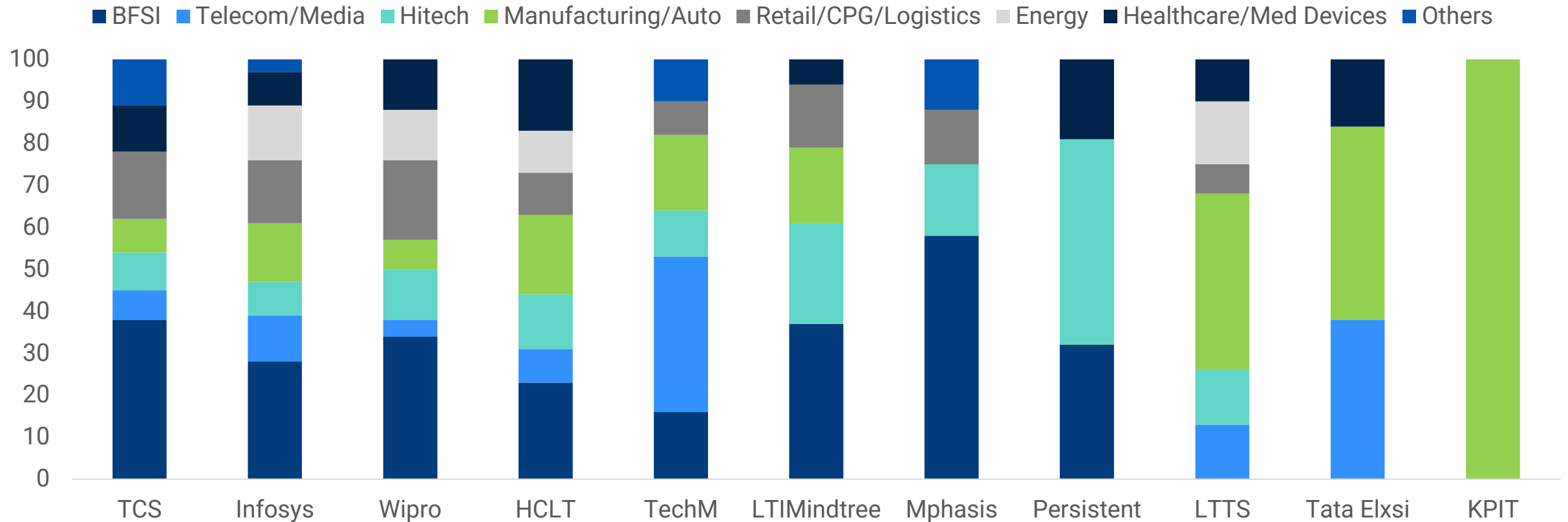
### Revenue Split and Price Movement of Infosys



# Indian IT companies are servicing diverse sectors

Diversified revenue streams of Indian IT companies enhance their resilience in navigating economic slowdowns.

### Vertical exposure of IT companies

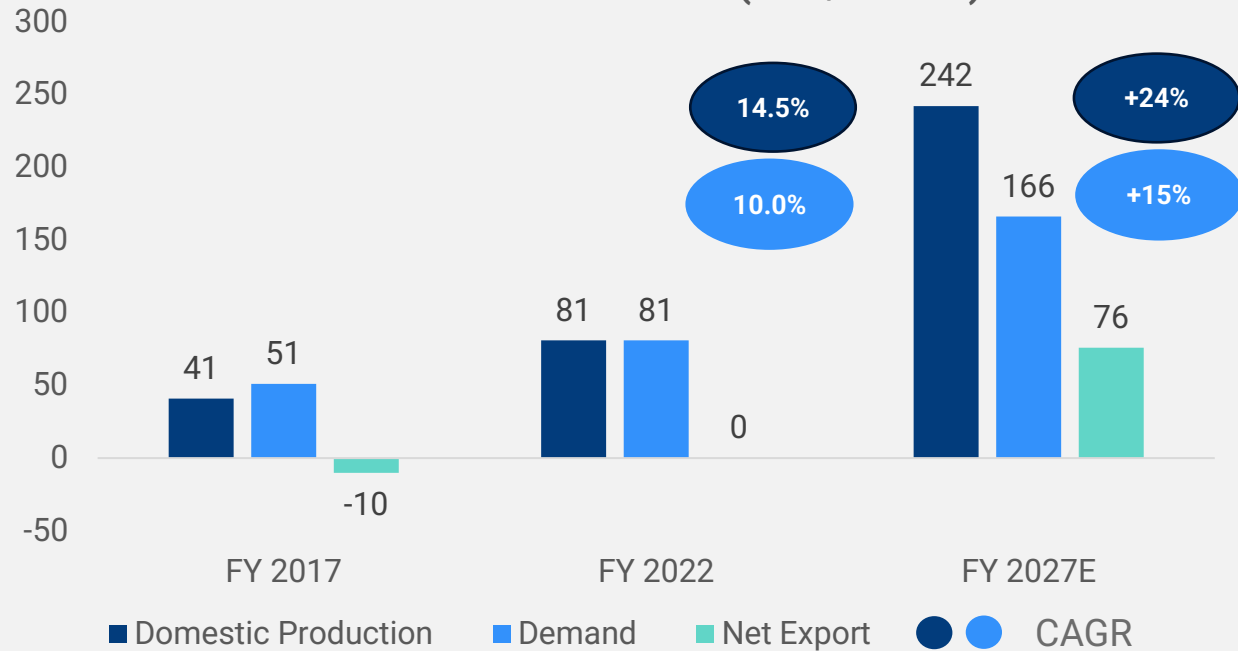




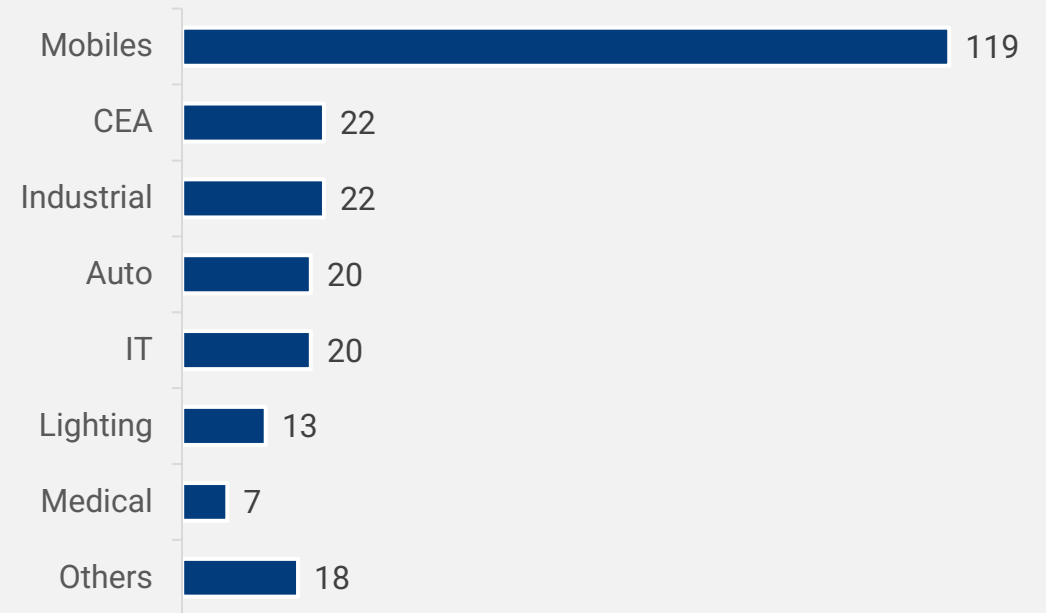
# Electronic Manufacturing – The next big opportunity

With the backing of the PLI scheme and the China+1 wave, India is poised to emerge as a manufacturing hub for electronics in coming decade.

India Electronics Market (US \$ billion)



Production forecast split for 2027 (US \$ bn)



India emerges as a top choice for electronics manufacturing, attracting giants like Apple and Samsung

Beneficiaries: Dixon Tech, Amber, Avalon Tech

# EMS players are experiencing robust revenue growth

## EMS Players

## Application Presence

## Revenue CAGR (FY20-23)

DIXON Tech.

Mobile, CEA, Lighting, IT, Medical

40%

AMBER Entpr.

CEA, Auto

20%

ELIN Electr.

CEA, Lighting, Medical

11%

SYRMA SGS Tech.

CEA, IT, Auto, Industrial, Medical

73%

CENTUM Electr.

Auto, Industrial, Medical

1%

CYIENT DLM

Industrial, Medical

22%

AVALON Tech.

Industrial, Medical

14%

KAYNES Tech.

CEA, IT, Industrial, Medical

45%

# Stock examples - EMS

## Dixon Technologies Ltd.

Leader in EMS space in India.

### Multiplier

Stock price has multiplied **2.4x** times in the past 3 years.

### Competitive Advantage

- \* Partnership with **Lenovo** and **Acer** to manufacture Laptops in India.
- \* Largest LED TV production capacity in India.

### Growth drivers

- \* USD 9 bn worth of imports, IT hardware is a key focus area for import substitution.
- \* Government imposing restrictions on import of PCs and Laptop computers.



## Avalon Technologies Ltd.

Presence across EMS value chain from design to mass production for industrial segment

### Growth in M-cap

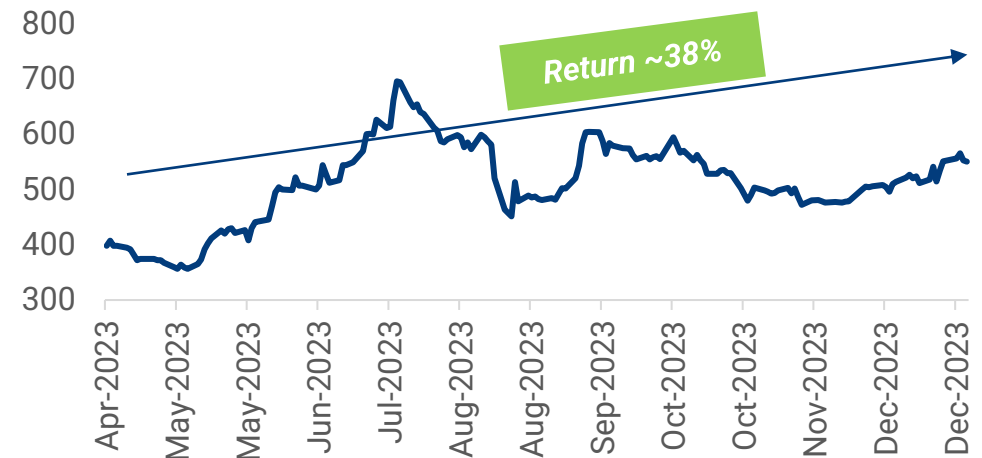
- \* Stock has given a return of 38% since its IPO in Apr 2023.

### Competitive Advantage

- \* High customer retention with 80% of the revenue of FY 23 from sustained customer base.
- \* Order book increased by 43.5% in FY 23.

### Growth drivers

- \* Currently, ~80% of PCB/PCBA and Box build products are imported from China, it is a key focus area for import substitution.



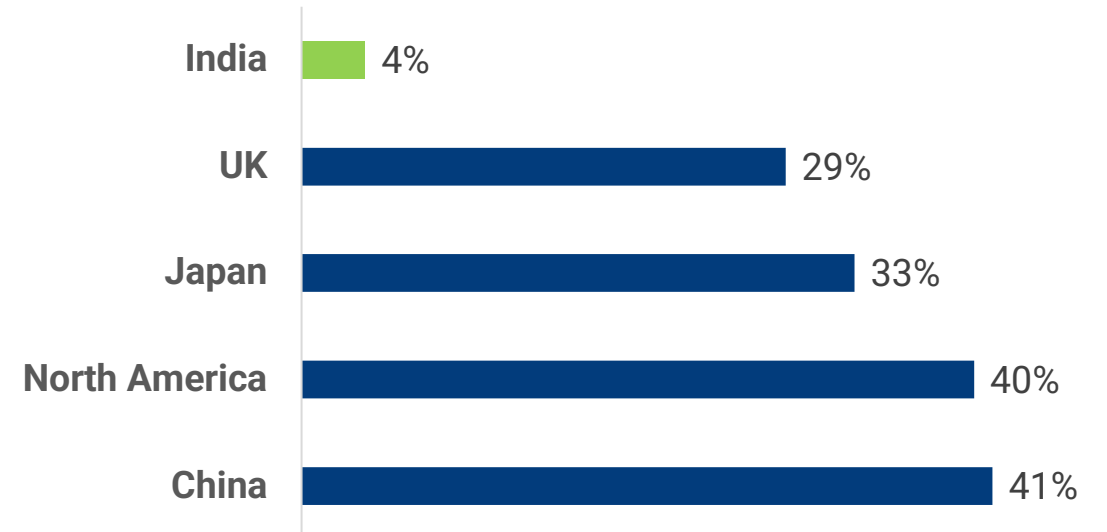
# Telecom – Data is the new oil

Telecom players are set to benefit in the coming years from heavy reliance on data in the vast digital economy and significant opportunities for 5G penetration.

In Data Consumption, India is well ahead of the world's largest digital economies.

	India	China	World	USA
Average hours/day spent online	6.5	5.5	7	7.1
Average hours/day spent on social media	2.8	2	2.5	2.3
Average hours/day spent watching online videos	1.6	1.5	1.1	1.3
Number of real-time transactions per capita per year	65	12	25	8

However, 5G penetration is among the lowest



Beneficiaries: Bharti Airtel, Tejas Network

# Stock examples – Telecom

## Bharti Airtel Ltd.

Leading and most trusted telecom provider in India.

### Market

- \* 5G subscriber count is likely to touch 150 million by 2024 from 20 million at present.

### Competitive Advantage

- \* First telecom operator to launch '5g' network.
- \* Available across 500 cities across the country as 5G Plus

### Growth drivers

- \* Improved connectivity and reliability
- \* Global competitiveness
- \* Increased bandwidth



## Tejas Networks Ltd.

A global broadband, optical and wireless networking company

### Market

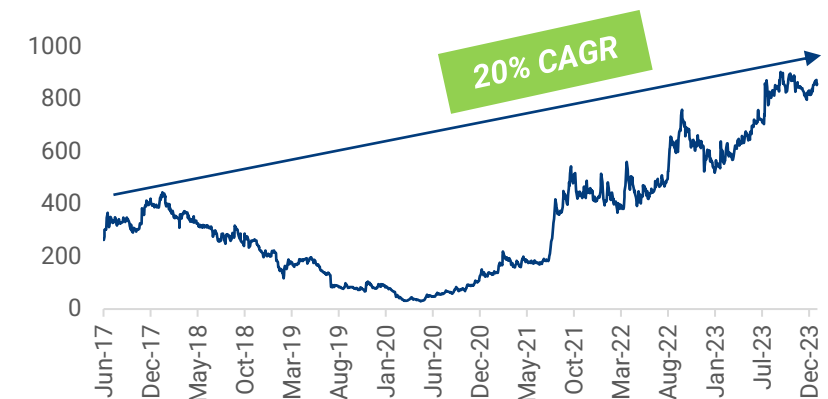
- \* Number of IoT connections are expected to reach ~31 bn units by 2028

### Competitive Advantage

- \* Provides cost-efficient solutions to upgrade bandwidth.
- \* Tejas + subsidiary filed 445 global patent applications and owned a rich portfolio of 330+ semiconductor IPs

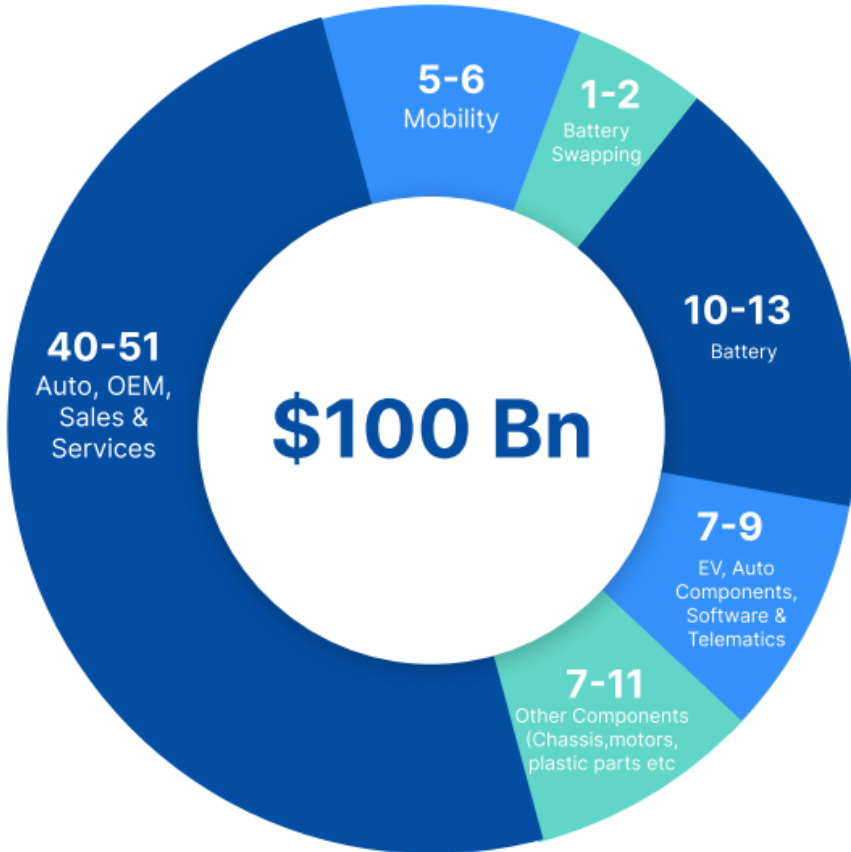
### Growth drivers

- \* Order book is growing at all-time high rates.
- \* Added 4G/5G radio access network to increase bandwidth



# Electric Vehicle - The next big technology adoption

\$ 100 bn. Opportunity across value chain by 2030



Current EV penetration in India is ~1.5%, trailing the Asian average of 17.3%.

Country/Region	EV sales share
World	14%
China	29%
Europe	22%
Asia	17.3%
US	6%
<b>India</b>	<b>1.5%</b>

₹8,000 cr.

Incentives for EV batteries announced

₹1.65 lakh cr.

Foreign Investment expected by 2030

100 lakh

EV unit sales expected by 2030

Beneficiaries: Motherson Sumi wiring, Uno Minda, TVS, Sonacoms, Exide



# Stock example – EV

## TVS Motor Company

2<sup>nd</sup> largest electric vehicle manufacturer in 2-wheeler segment

### Up-tick in 2-wheeler EV Market share

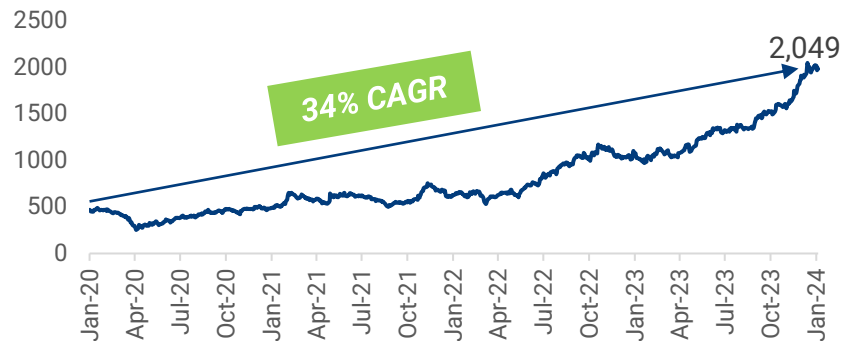
- \* From 2% in Jan 2022 to more than 20% in mid 2023.

### Competitive Advantage

- \* Extensive manufacturing expertise
- \* Strategic partnership with 'BMW Motorrad'

### Growth drivers

- \* Increasing fuel prices
- \* Rising demand for zero-emission vehicles
- \* Government initiatives like FAME with a budget of US\$ 1.3 billion.



## Motherson Sumi Wiring

Leading global supplier of automotive components

### USP

- \* One-stop-shop for integrated wiring systems

### Competitive Advantage

- \* Cost competitiveness while leveraging economies of scale
- \* Diverse product portfolio

### Growth drivers

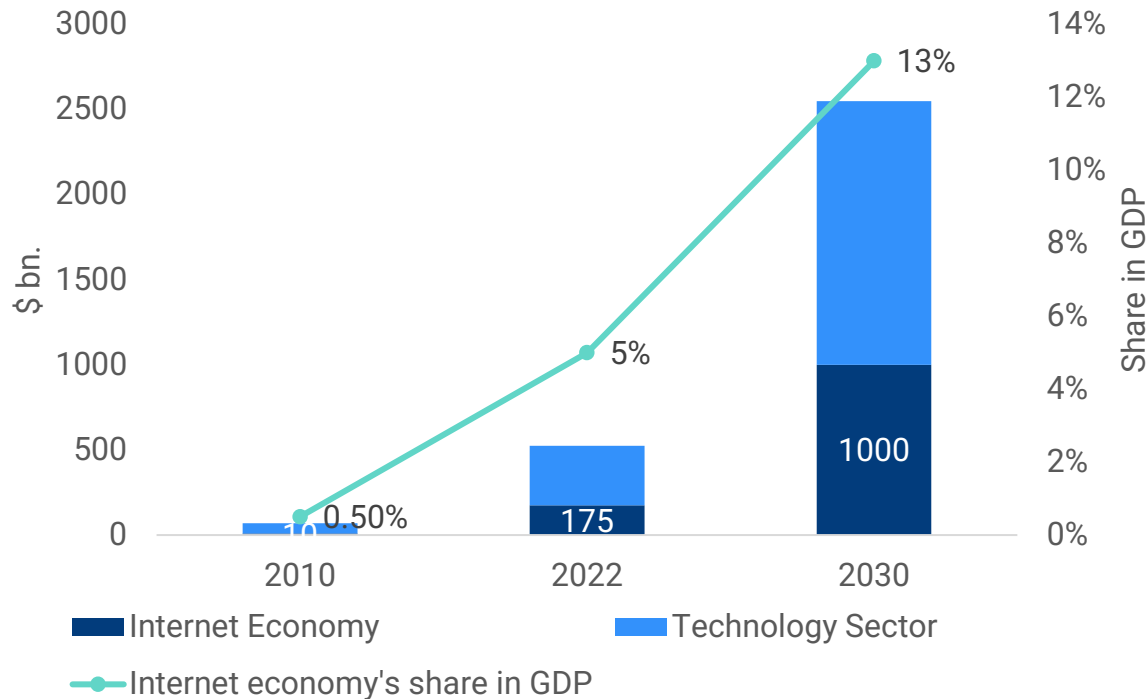
- \* Rise in customer preference towards premiumisation
- \* Enabling mobility across



# Digital economy - One trillion \$ opportunity

India's internet economy is expected to reach \$1T by 2030, double the value of IT services.  
A 5x growth from current levels; Contributing 13% to India's GDP.

Rising share of internet economy



Market Size (\$bn)	2022	2030	Growth by 2030
E-Commerce	75	380	5x
Online Travel	15	60	4x
Online Media	9	50	6x
Food Delivery	9	40	4x
Ed-Tech	5	25	5x
Ride-hailing	5	20	4x
Health-tech	2	25	13x
Others	45	210	5x
<b>Total</b>	<b>165</b>	<b>810</b>	<b>5x</b>

Existing opportunities: Zomato, PB Fintech, Paytm, Nykaa  
IPOs expected in 2024: Oravel Stays (Oyo), Swiggy, Aakash Educational Services, PayU, NSDL

# Stock examples – Digital

## PB Fintech Ltd.

Platform addressing online insurance and lending markets

### Uprise in Market share

- \* The stock has delivered 77% in CY 2023.

### Competitive Advantage

- \* Exponential increase in contribution is driven by renewals and new business growth.
- \* Significant portion of premium is received from underpenetrated Tier 2+ cities.

### Growth drivers

- \* Benefiting from fast growing share of tech-enabled transactions in India.
- \* Co-created products attracting good traction.



## Zomato Ltd.

Leaders in food delivery business

### Uprise in Market share

- \* The stock has delivered 109% in CY 2023.

### Competitive Advantage

- \* 54% of GMV share in a duopoly.

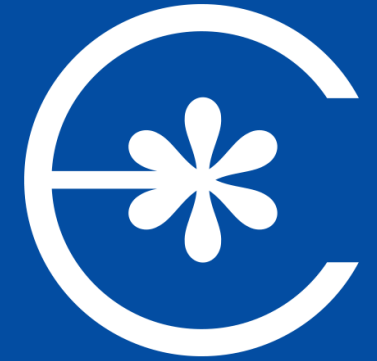
### Growth drivers

- \* Benefiting from fast growing share of tech-enabled transactions in India.
- \* Order frequency has huge room to grow when compared with developed countries.

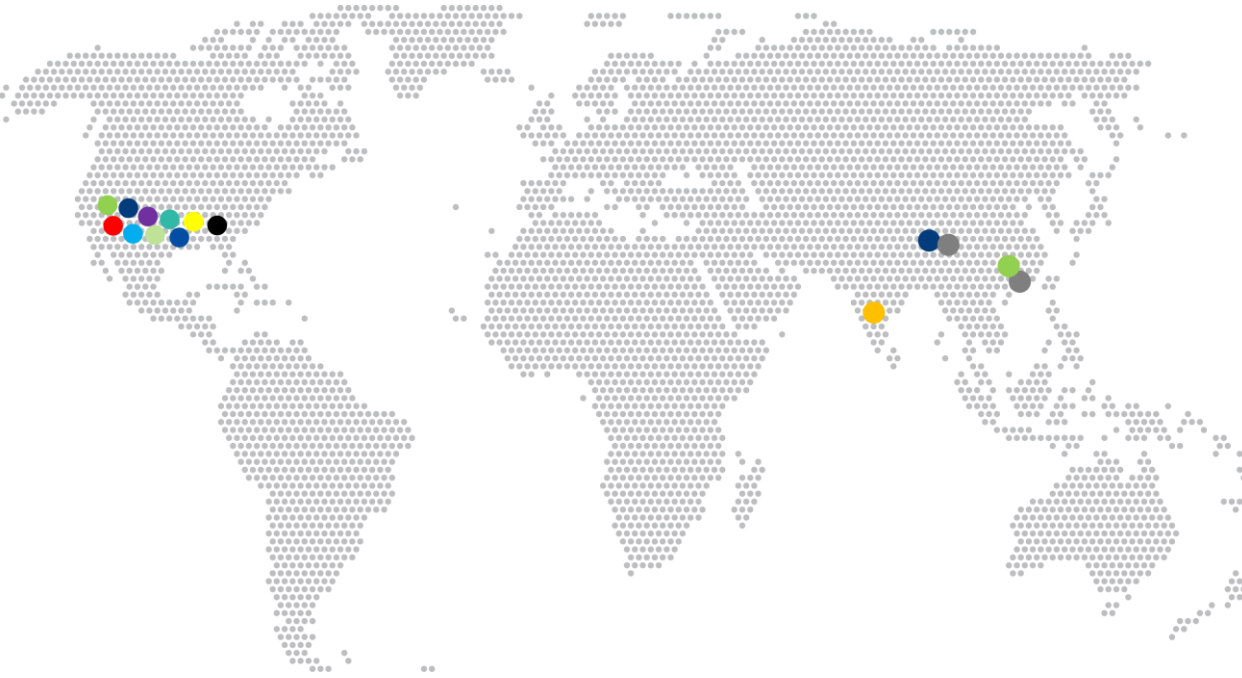


# Technology landscape globally

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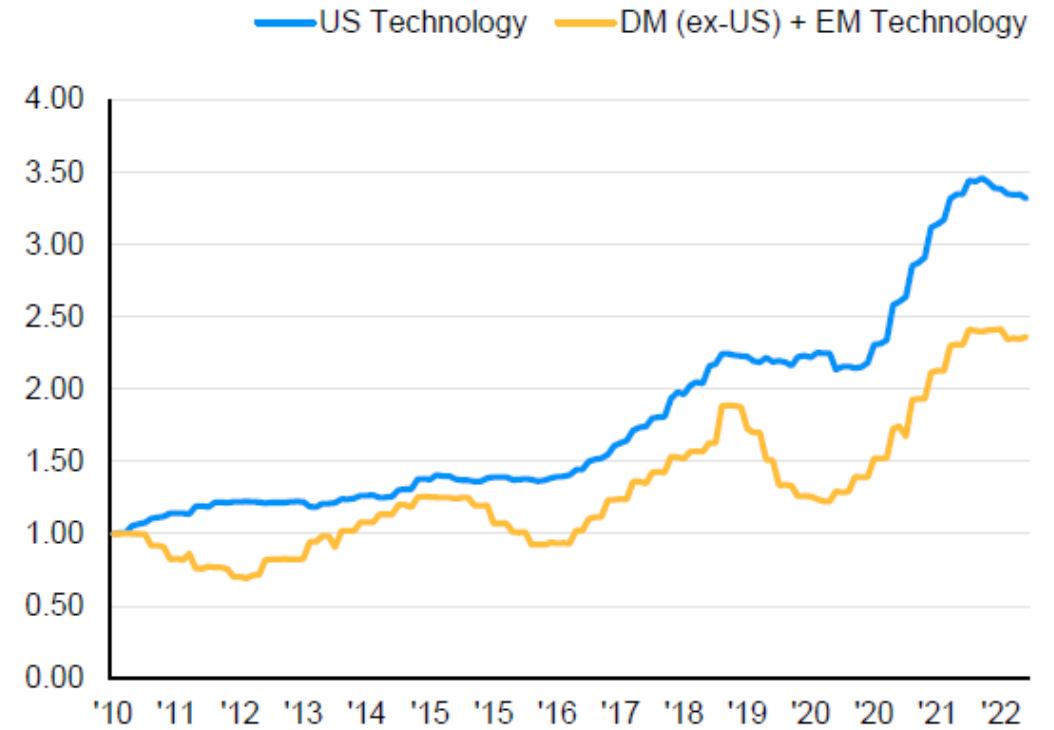
# US dominates the technology space



Technology	Technology
<span style="color: blue;">●</span> Semiconductors	<span style="color: grey;">●</span> EMS
<span style="color: green;">●</span> Electric Vehicle	<span style="color: red;">●</span> Software
<span style="color: orange;">●</span> IT Services	<span style="color: black;">●</span> Social Media
<span style="color: purple;">●</span> Defence Tech	<span style="color: lightblue;">●</span> Telecommunications
<span style="color: teal;">●</span> Generative AI	<span style="color: lightgreen;">●</span> Payment Gateways
<span style="color: yellow;">●</span> Space Tech	<span style="color: darkblue;">●</span> E-commerce

US Technology companies growing earnings faster than their global peers

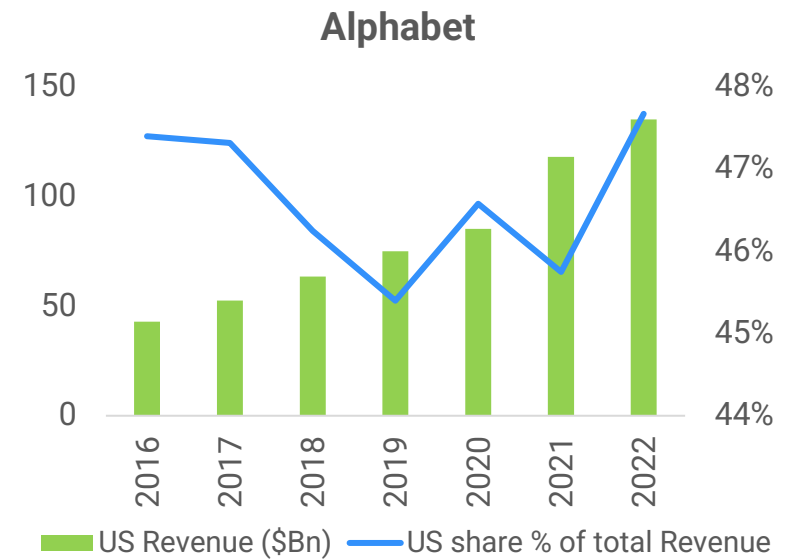
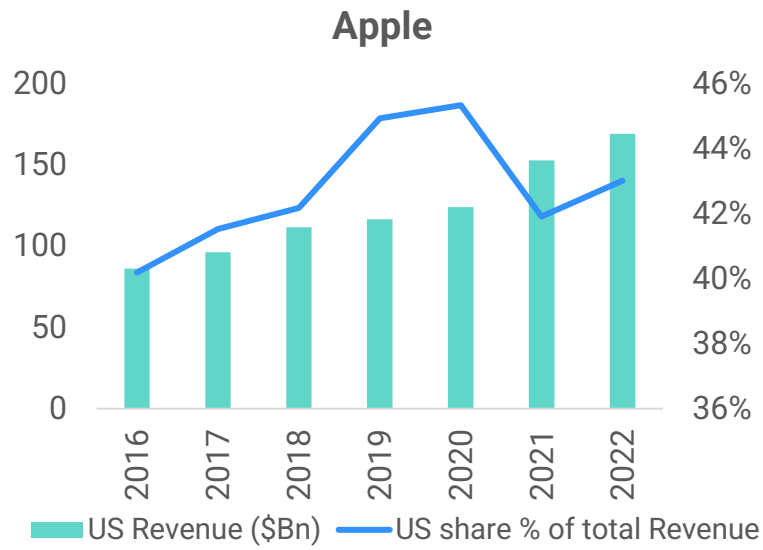
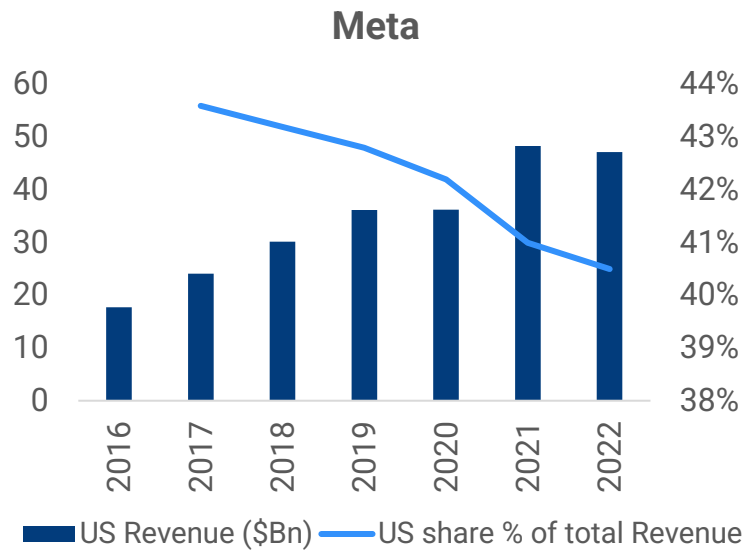
12-month trailing earnings per share



Source: Bloomberg, MSCI. US Technology Sector = Russell 1000 Technology Index; DM (excluding US) + EM Technology Sector = MSCI ACWI ex-USA Technology Index

# US Tech companies are global

More than 50% of revenue of US Tech companies comes from international business.



No of users globally

Meta

3.59 billion



1.36 billion

Alphabet

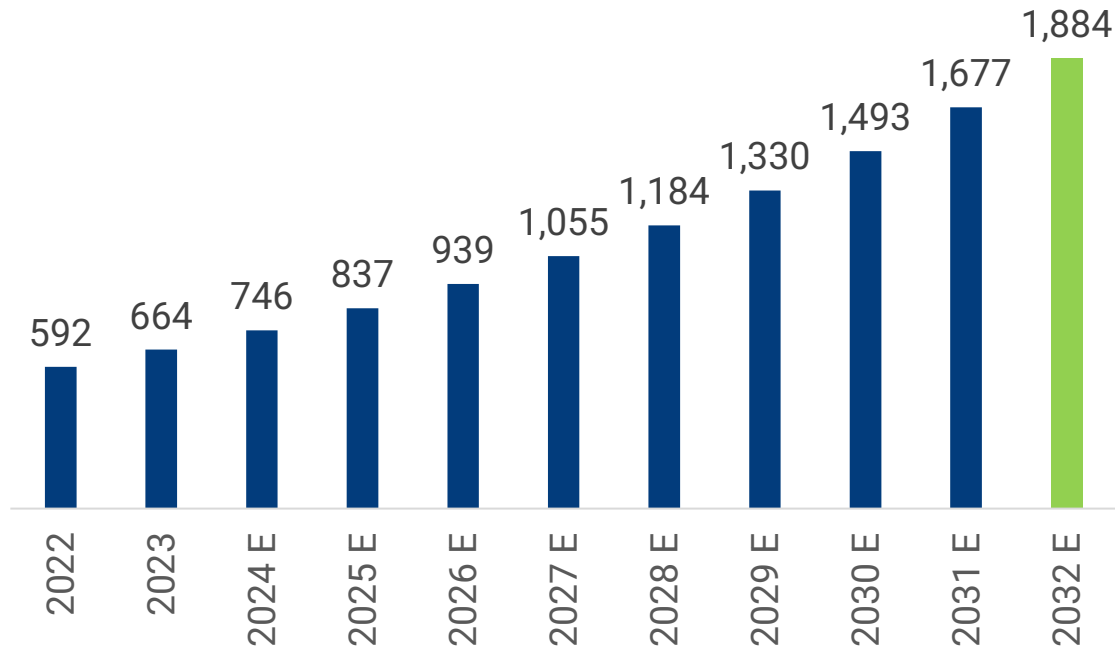
4.30 billion



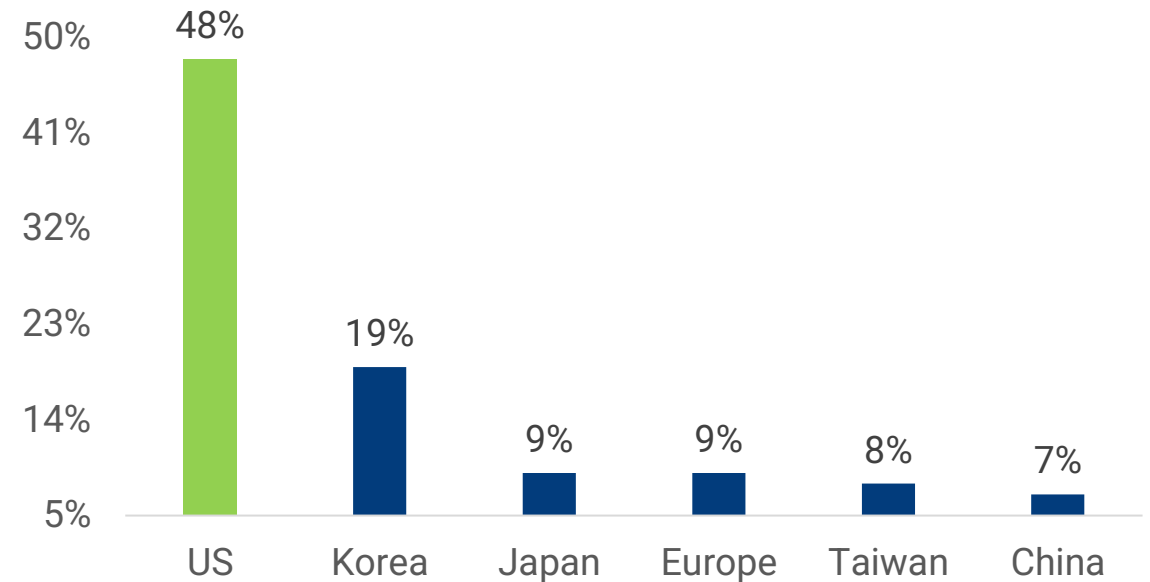
# US commands the semiconductor space

Tech dependence + chip shortage = skyrocketing demand for semiconductor.  
AI, 5G, and electric vehicles boom fuel the need for advanced chips, opening lucrative new markets for innovation.

### Global Semi-conductor Market Size (USD Bn)

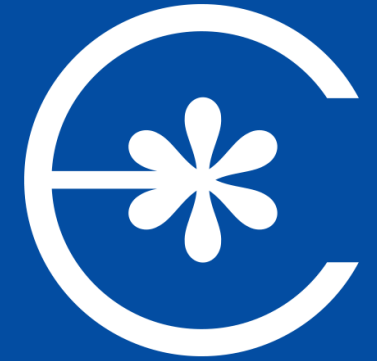


### US commands ~50% share in global sales of semiconductors

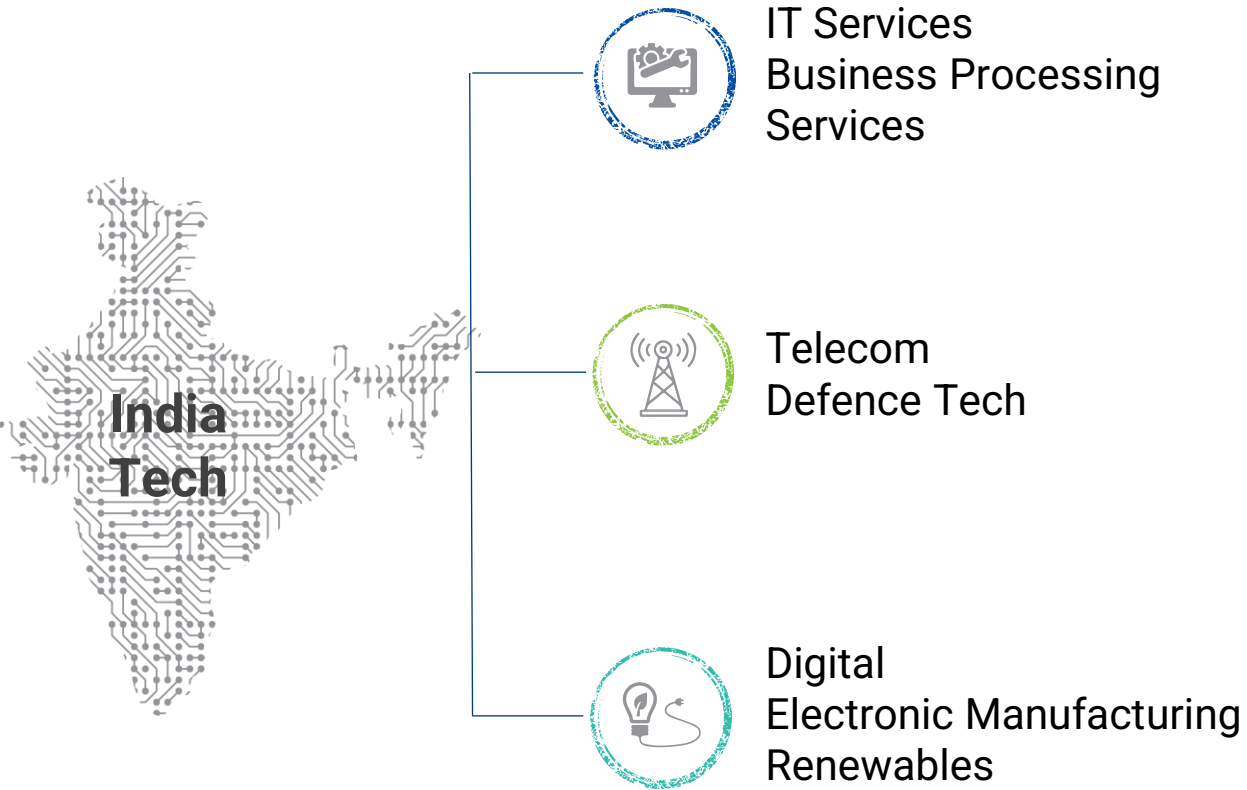


# Introducing Edelweiss Technology Fund

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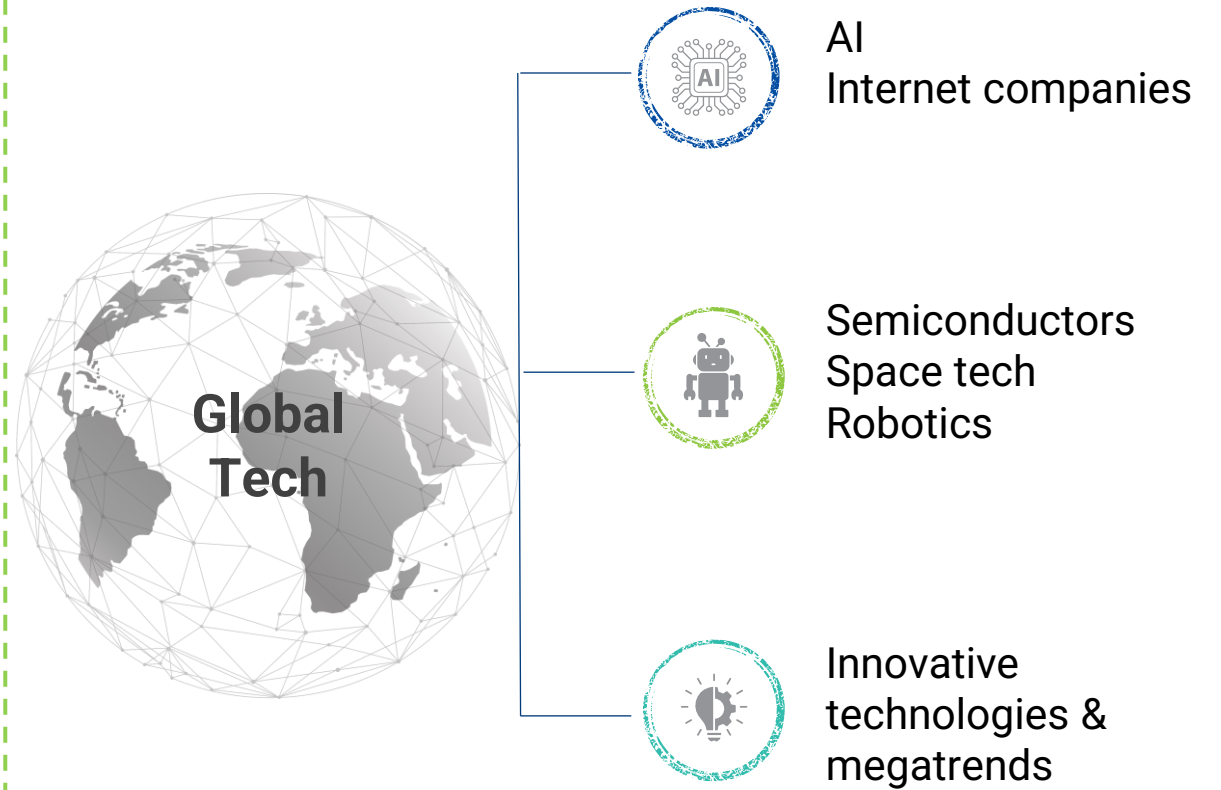


# Edelweiss Technology Fund – Best of both worlds



Traditional Tech + New-Age Tech of India

70%-80%



Global Tech

20%-30%

# India + US provide a wholistic exposure to Global Tech

## % allocation to sub-industries within Information technology for each country/ region

Industries	India	US	Europe	Korea	Taiwan	World
Systems Software	2%	28%	-	-	-	21%
Technology Hardware, Storage & Peripherals	0%	22%	2%	91%	19%	24%
Semiconductors	0%	23%	11%	-	58%	24%
Application Software	1%	12%	28%	-	-	11%
IT Consulting & Other Services	97%	5%	5%	-	-	5%
Semiconductor Materials & Equipment	0%	4%	44%	-	1%	6%
Communications Equipment	1%	4%	5%	-	2%	3%
Internet Services & Infrastructure	0%	0%	-	-	-	2%
Electronic Components	0%	1%	-	9%	12%	2%
Electronic Equipment & Instruments	0%	1%	5%	-	-	1%
Electronic Manufacturing Services	0%	1%	-	-	6%	1%
Other	0%	0%	-	-	2%	0%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: MSCI, iShares. Data as on 29<sup>th</sup> December 2023. Data for ETF considered where split for sub-industries as per GICS was unavailable for the index. Indices considered above: India - BSE Teck Index - IT component, US - S&P Technology Select Sector Index, Europe - MSCI Europe Information Technology Index, Korea - MSCI Korea Technology Hardware and Equipment Index, Taiwan - MSCI Taiwan Index - IT component, World - MSCI ACWI Information Technology Index

# How do we see a tech company?

Technology is transforming every industry in the world  
We aim to capture such tech opportunities across sectors in India and globally

## Creators

Companies that  
are creating  
technology and  
enabling  
businesses

## Adapters

Companies  
adopting  
technology that is  
significantly  
driving their  
valuation  
multiples

## Innovators

Companies  
transforming  
traditional  
technologies with  
new ones

# Global Tech exposure through US Technology



The intended objective would be to provide exposure to US listed stocks enabling technology or benefiting from the use of technology.



The fund would invest in technology focused stocks from the top 500 U.S listed companies based on internal rule-based methodology.

## Methodology:

- **Universe:** Top 500 U.S listed companies.^
- **Classification from the universe:** Select Technology sectors based on the Global Industry Classification Standard (GICS)
- **Rebalancing:** Quarterly in March, June, September, December
- **Weighting:** Float-adjusted market capitalisation weighted\*
- **No of constituents:** Top 50 as per the above weightage

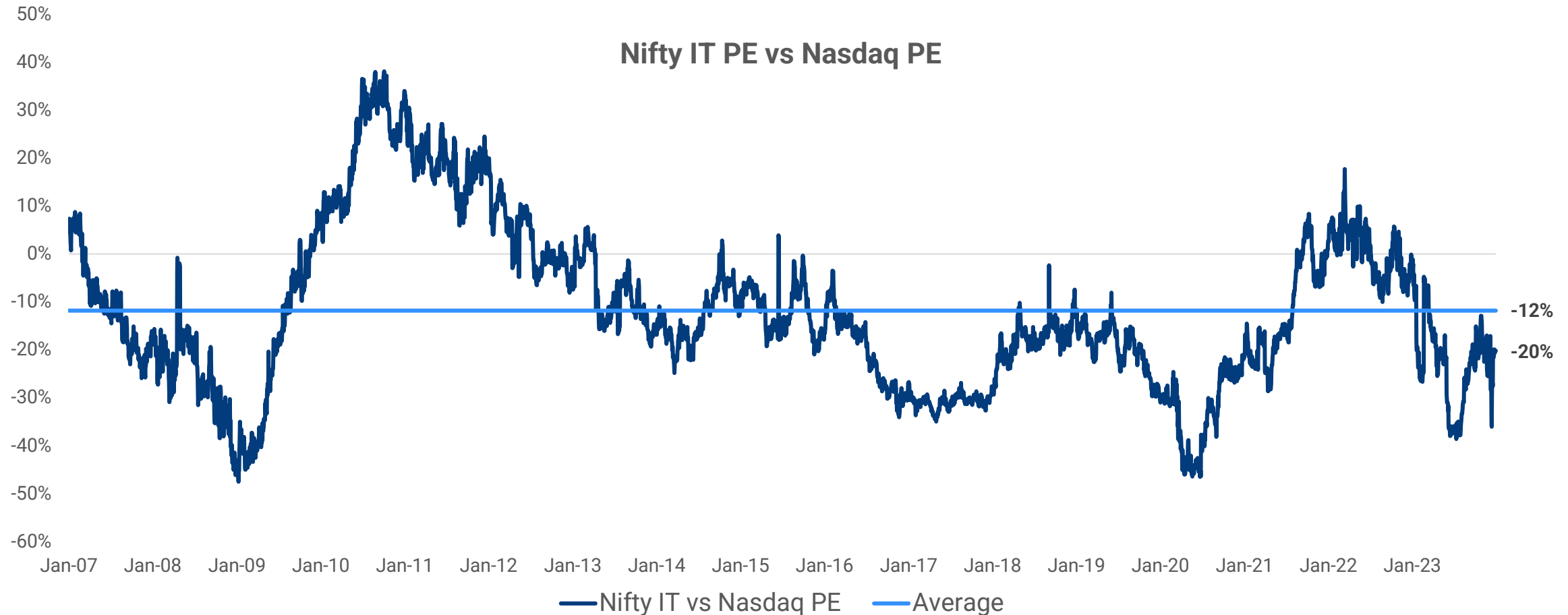
## Sub-sectors covered:

- IT Services;
- Software;
- Semiconductors & Semiconductor Equipment
- Communications Equipment;
- Technology Hardware, Storage, & Peripherals;
- Electronic Equipment, Instruments, & Components;



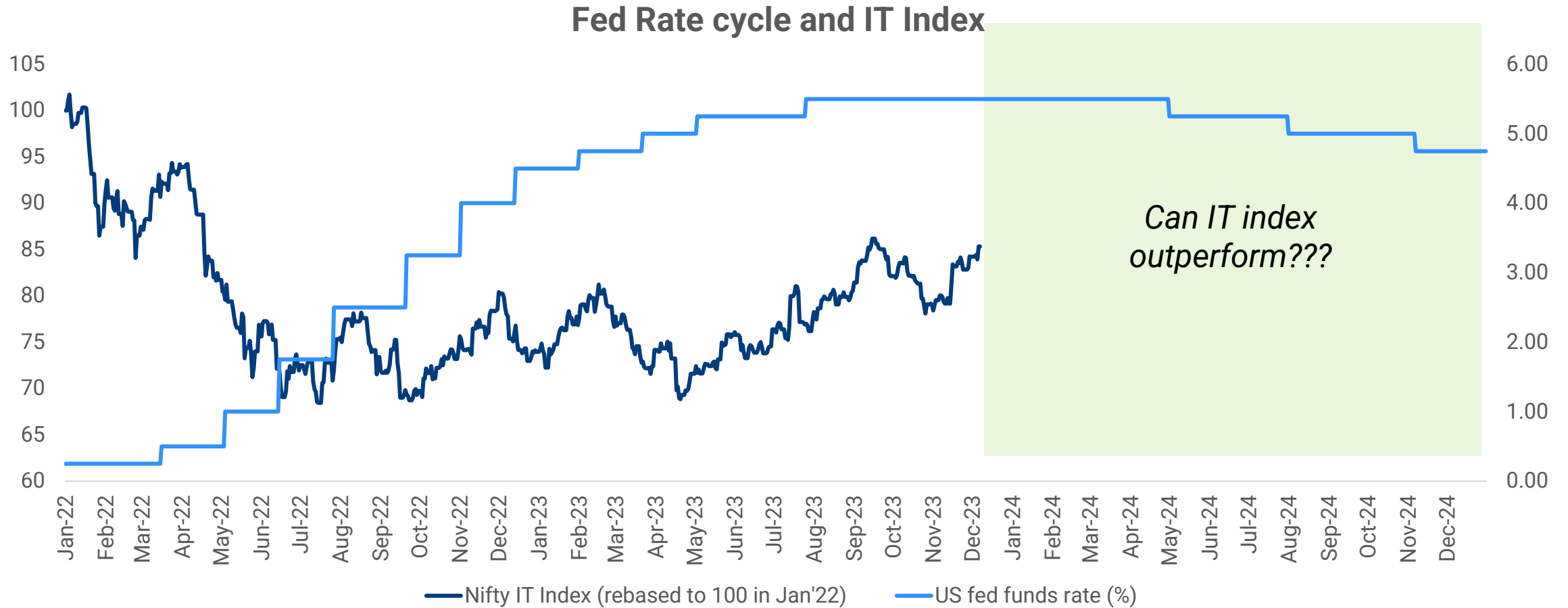
# Indian IT trading at a discount to Nasdaq 100

Nifty IT PE vs Nasdaq PE currently at a discount of -20% vs long-term average of -12%



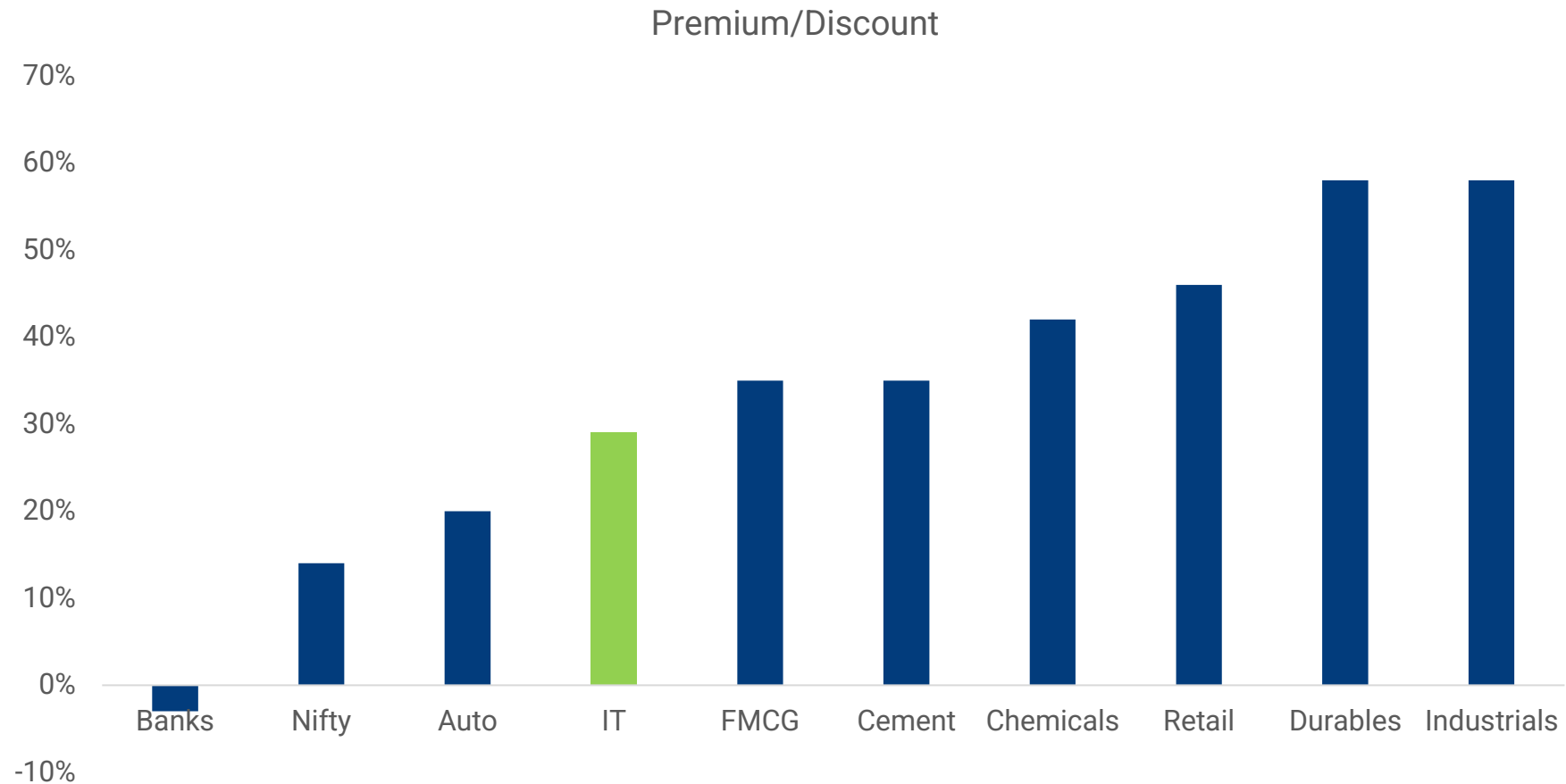
# IT sector expected to do well when Fed cuts rate

2024 can see a reverse trend of 2022. Rate hikes in 2022 caused a fall in the IT index and now with the Fed expected to cut rates, IT index may see an uptrend.



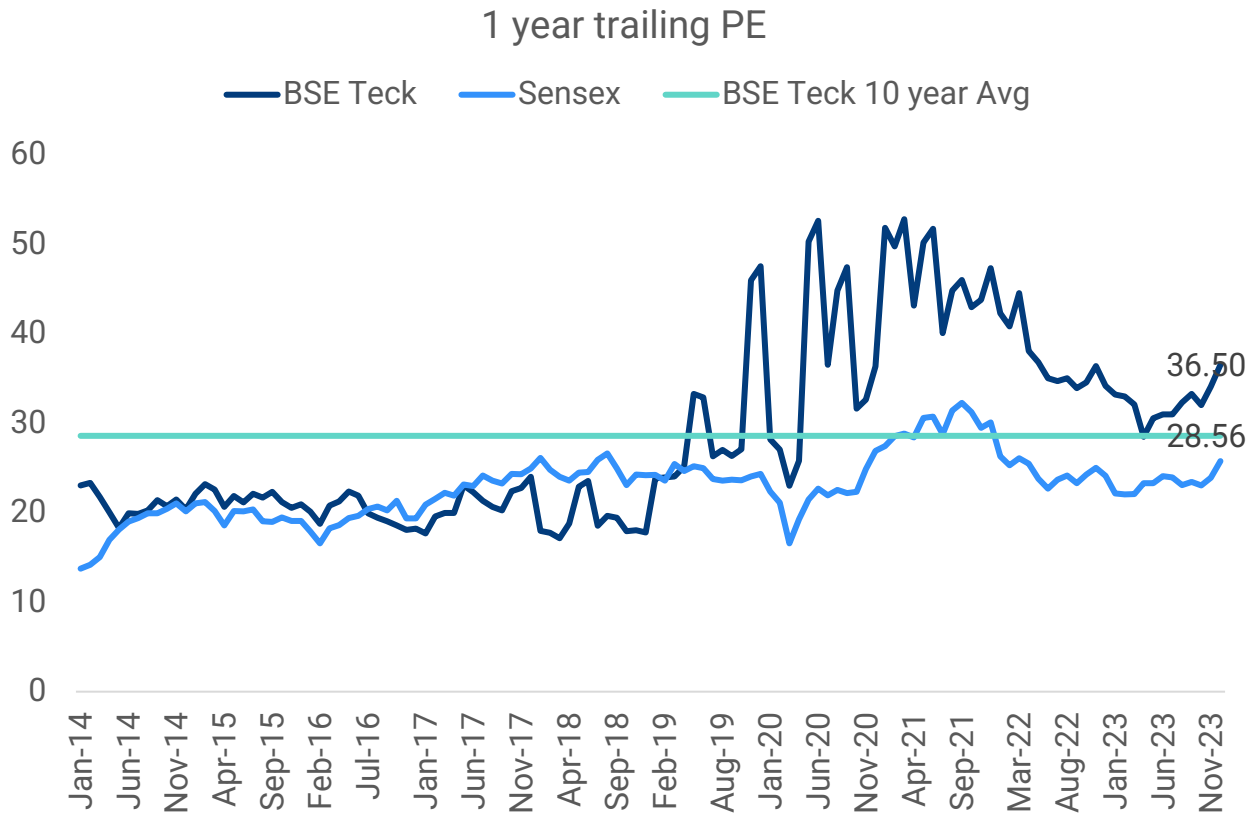
# IT is trading at a relatively lower premium

Most sectors are trading at a premium. IT is trading at a relatively low premium to its historical average PE

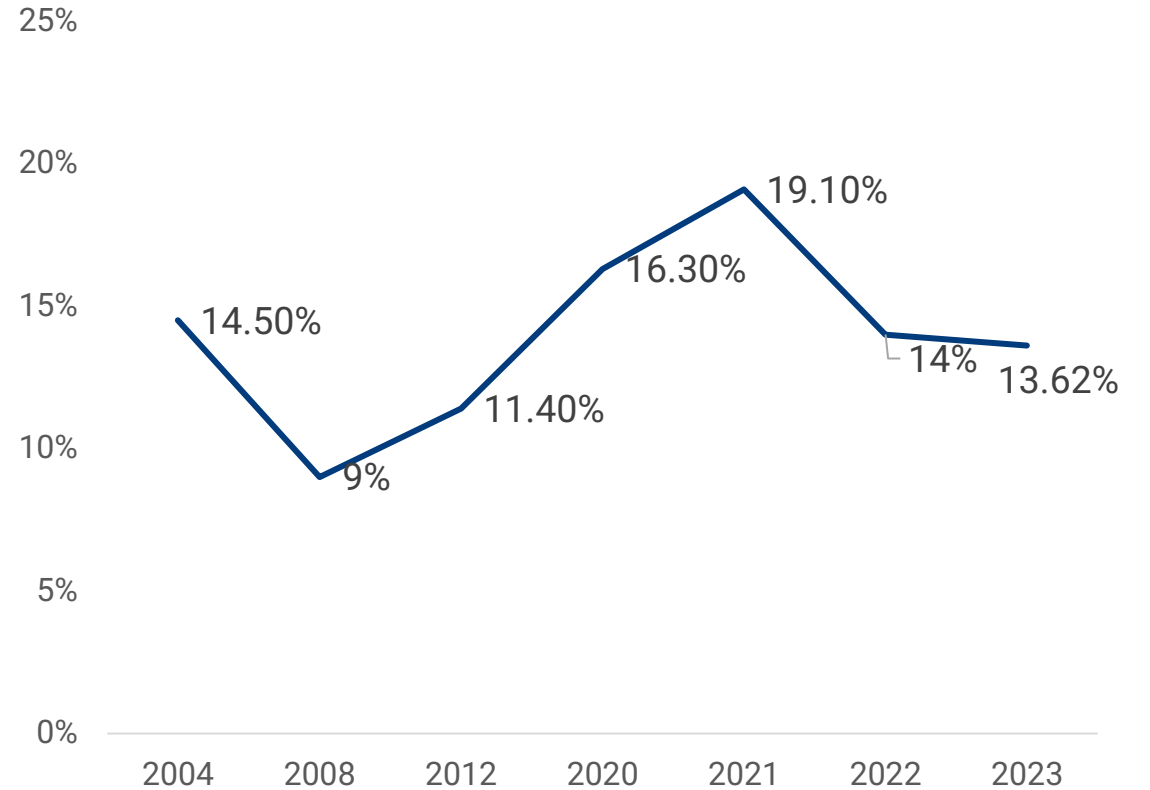


# Valuation Multiples have fallen from their peak

**BSE Teck Index premium over Sensex has corrected from its peak by 30%**



**Share of IT in Nifty 50 market cap has fallen from the peak**



# Trailing Performance

Period	BSE TEck + US Tech (70 : 30)	S&P BSE TEck	US Tech	Nifty 50 - TRI
1 Year	<b>29.37%</b>	18.82%	55.55%	21.30%
2 Years	<b>2.10%</b>	-2.06%	11.21%	13.23%
3 Years	<b>15.07%</b>	12.81%	18.98%	17.21%
5 Years	<b>21.77%</b>	17.67%	30.03%	16.24%
7 Years	<b>19.51%</b>	16.42%	25.46%	16.38%
10 Years	<b>15.43%</b>	12.18%	21.95%	14.56%
S.D.	<b>15.60%</b>	17.85%	17.57%	16.26%

# C.Y Performance

	BSE TEck + US Tech (70: 30)	S&P BSE TEck	US Tech	Nifty 50 - TRI
CY 2023	<b>29.37%</b>	18.82%	55.55%	21.30%
CY 2022	<b>-19.42%</b>	-19.28%	-20.49%	5.69%
CY 2021	<b>46.18%</b>	49.68%	36.17%	25.59%
CY 2020	<b>45.47%</b>	43.84%	45.87%	16.14%
CY 2019	<b>20.78%</b>	9.22%	51.30%	13.48%
CY 2018	<b>9.24%</b>	10.27%	5.91%	4.64%
CY 2017	<b>19.06%</b>	16.55%	24.27%	30.27%
CY 2016	<b>-2.08%</b>	-9.16%	15.72%	4.39%
CY 2015	<b>5.66%</b>	3.61%	8.70%	-3.01%
CY 2014	<b>16.56%</b>	15.65%	18.22%	32.90%
CY 2013	<b>45.38%</b>	46.90%	39.61%	7.24%

# Global exposure with lower tax impact

Domestic equity funds with global exposure enjoy a 10% preferential tax rate, compared to the highest tax rate applicable to independent Overseas Fund of Fund schemes.

Period	Gross returns BSE TECK + US Tech (70 : 30)	Returns post Equity Taxation of 11.96% (A)	Returns post Equity Taxation (11.96%) on India portion and (42.74%) on US Tech portion (B)	Additional return (A)-(B)
1 Year	<b>29.4%</b>	25.9%	21.1%	4.7%
2 Years	<b>2.1%</b>	1.8%	0.7%	1.2%
3 Years	<b>15.1%</b>	13.3%	11.2%	2.1%
5 Years	<b>21.8%</b>	19.2%	16.0%	3.1%
7 Years	<b>19.5%</b>	17.2%	14.5%	2.7%
10 Years	<b>15.4%</b>	13.6%	11.3%	2.3%

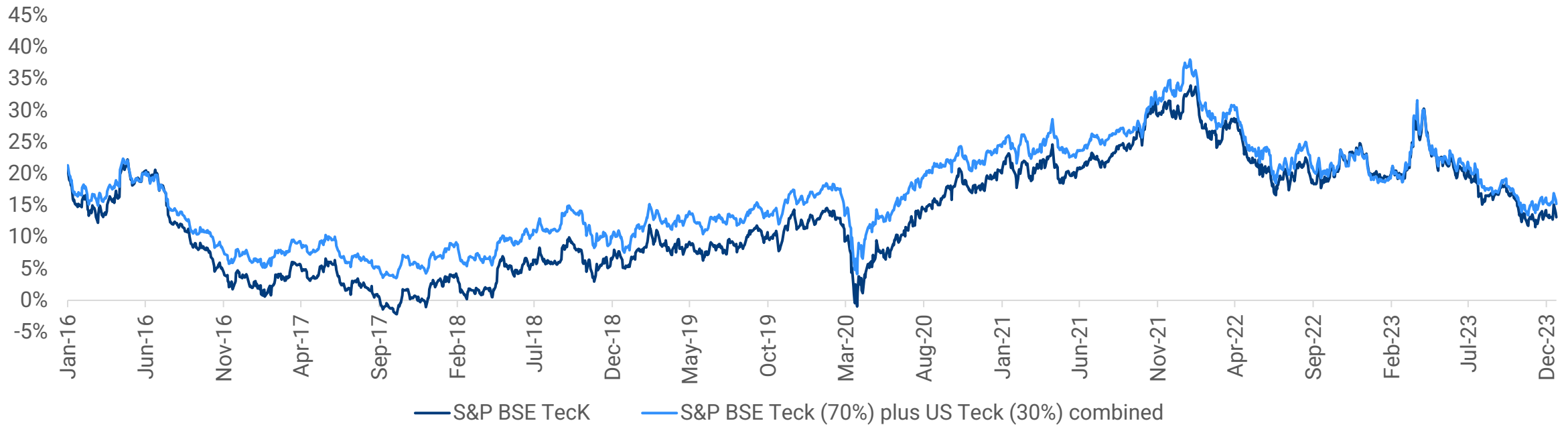
# Global exposure with lower tax impact

Period	Gross returns BSE TECK + US Tech (70 : 30)	Returns post Equity Taxation of 11.96%	Gross returns US Tech	Returns net of Tax @ 42.74% US Tech
1 Year	29.4%	25.9%	55.6%	31.8%
2 Years	2.1%	1.8%	11.2%	6.4%
3 Years	15.1%	13.3%	19.0%	10.9%
5 Years	21.8%	19.2%	30.0%	17.2%
7 Years	19.5%	17.2%	25.5%	14.6%
10 Years	15.4%	13.6%	21.9%	12.6%



# 3 year Rolling return analysis

Demonstrated consistent and strong outperformance over a 3-year horizon

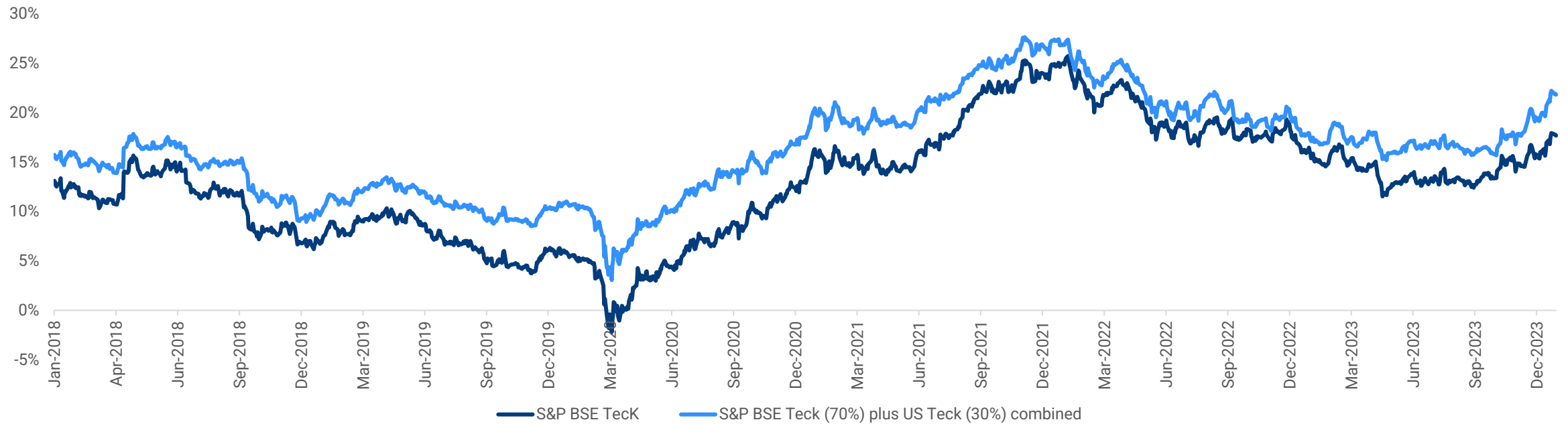


	Nifty 50 - TRI	US Tech	S&P BSE TECK	BSE TECK + US Tech (70:30)
Min	-4.46%	12.22%	-2.19%	3.53%
Max	32.39%	47.77%	33.94%	38.04%
Average	13.26%	23.01%	13.51%	16.67%

Source: S&P BSE, NSE, Bloomberg. For US Tech, price of S&P Technology Select Sector Index considered. Data as on 31<sup>st</sup> Dec 2023. The above is only for illustration purpose and should not be considered as any strategy / scheme returns. Past Performance may or may not be sustained in future.

# 5 year Rolling return analysis

Demonstrated consistent and strong performance over 5-year horizon



	Nifty 50 - TRI	US Tech	S&P BSE TECK	BSE TECK + US Tech (70:30)
Min	-1.03%	12.98%	-2.20%	3.08%
Max	18.89%	32.30%	25.74%	27.65%
Average	12.57%	23.33%	12.93%	16.33%

Source: S&P BSE, NSE, Bloomberg. For US Tech, price of S&P Technology Select Sector Index considered. Data as on 31st Dec 2023. The above is only for illustration purpose and should not be considered as any strategy / scheme returns. Past Performance may or may not be sustained in future.

# SIP Returns

	BSE TEck + US Tech (70 : 30)		S&P BSE TEck		Nifty 50 - TRI	
Period	Returns	Current Value of ₹10,000 SIP	Returns	Current Value of ₹10,000 SIP	Returns	Current Value of ₹10,000 SIP
1 Year	<b>37.30%</b>	₹ 1,42,716	32.83%	₹ 1,40,101	33.54%	₹ 1,40,517
3 Year	<b>14.59%</b>	₹ 4,46,754	10.67%	₹ 4,22,206	17.49%	₹ 4,65,528
5 Year	<b>19.83%</b>	₹ 9,81,856	16.88%	₹ 9,13,640	18.84%	₹ 9,58,545
10 Year	<b>17.44%</b>	₹ 29,96,728	14.21%	₹ 25,19,346	14.96%	₹ 26,23,432

Source: NSE, S&P BSE, Bloomberg. For US Tech, price of S&P US Technology Select Sector Index considered. Data as on 29th Dec 2023. | SIP returns are computed after accounting for cash flow by using XIRR method (investment internal rate of return) For SIP returns, monthly investment of ₹ 10,000/- invested on the 1st working day of every month. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. The above is only for illustration purpose and should not be considered as any strategy / scheme returns.



## Macroeconomic Risks

- Sharper-than-expected decline in global economic activity and GDP growth
- Sustained INR appreciation vs the USD



## Company-Specific Risks

- Deals not ramping up as expected
- Margin pressure from increased competition



## Additional Risks

- Automation and AI
- Talent shortage
- Evolving client needs

# Fund Features

<b>Category</b>	Thematic
<b>Fund Manager</b>	Mr. Trideep Bhattacharya Mr. Sahil Shah (Co-Fund Manager) Mr. Amit Vora (Overseas securities)
<b>Benchmark</b>	S&P BSE TECK TRI
<b>Investment Objective</b>	To provide long-term capital appreciation by investing predominantly in equity and equity-related securities of technology & technology-related companies
<b>Minimum Application Amount</b>	Lumpsum: Minimum of Rs. 100/-and multiples of Re. 1/ - thereafter. SIP: Rs. 100/- and in multiples of Re. 1/- thereafter.
<b>NFO Period</b>	14 <sup>th</sup> to 28 <sup>th</sup> February 2024

<b>Investments</b>	<b>Indicative Allocation (% to net assets)</b>
Equity and Equity related instruments of Technology & technology related companies	80% to 100%
Equity and Equity related instruments of companies other than above	0% to 20%
Debt and money market instruments#	0% to 20%
Units issued by REITs and InvITs	0% to 10%
Units of Mutual Funds	0% to 20%

# Our philosophy while managing your money

Our **FAIR** investment framework helps in identifying robust and clean businesses available at acceptable prices without being biased toward either value or growth investing styles.



## Forensics

Use forensic framework to check accounting quality, board governance standards and ownership background



## Acceptable Price

Emphasize reasonably priced businesses with earnings power over the medium term, rather than focusing on the short term



## Investment Style Agnostic

Emphasize investing in strong businesses capable of delivering long-term returns, while remaining agnostic to value or growth investing styles.



## Robustness

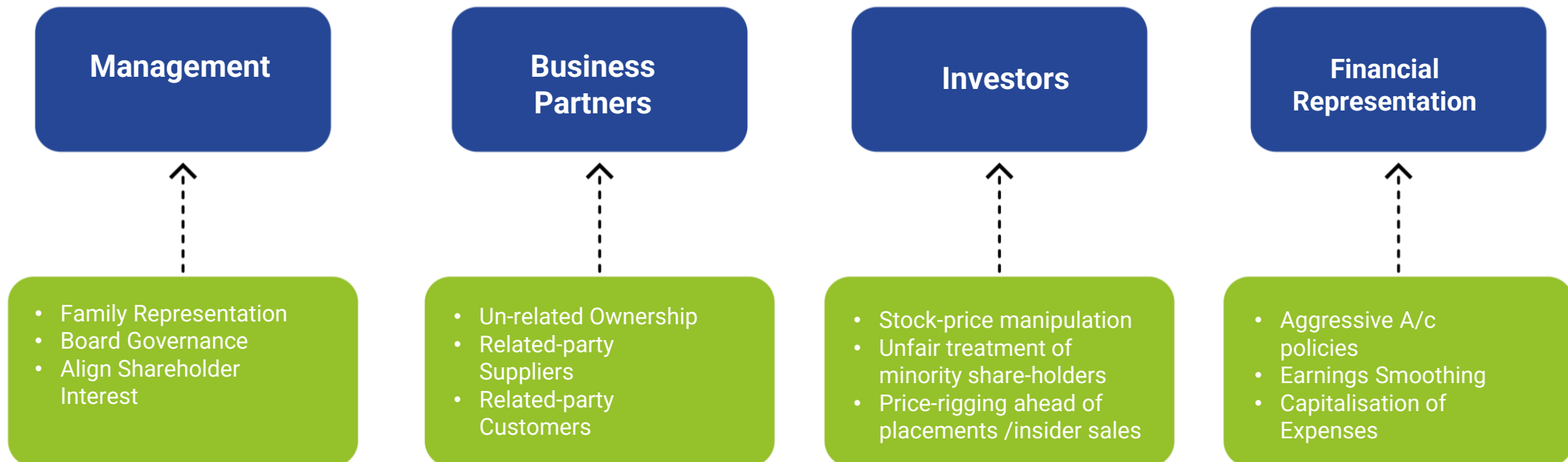
Pick well managed businesses having scalable opportunities and superior return on capital employed

We use a forensic analysis to pick only clean and quality businesses from the available universe

**We do forensic analysis in 4 key areas before we like any business**

**Accounting quality | Board governance | Ownership checks | Management integrity**

## Forensic Analysis Framework



# Acceptable Price

Focus on reasonably priced businesses with medium term earnings power

## Investment value analysis Framework

\* We analyse stocks and categorise them under 3 buckets

- i. Discounted Value stocks
- ii. Compounding Value stocks
- iii. Risk-management stocks – Stocks we own due to their presence in benchmark

\* A combination of Discounted and compounding value makes us Value/Growth style agnostic

### Discounted Investment Value

- \* We derive discounted value based on % discount compared to intrinsic value of the stock
- \* This bucket includes event driven, deep Value and turn-around businesses
- \* Current Examples of businesses with static value – SBI and Indian Bank

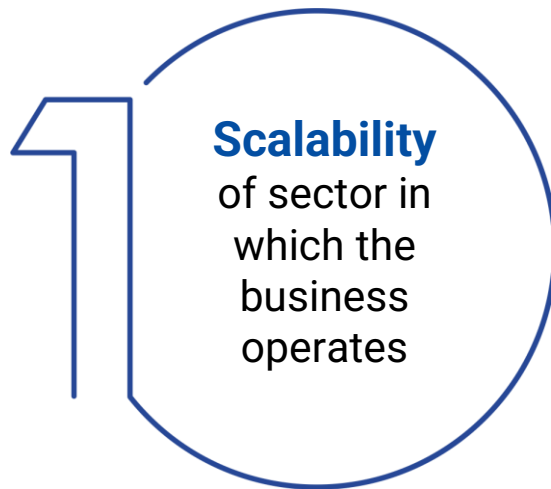
### Compounding Investment Value

- \* We derive compounded value based on estimated growth in intrinsic value over next 2 years.
- \* This bucket includes consistent compounders that are sector leaders and market share gainers
- \* Current Examples of businesses with dynamic value – Asian Paints and Crompton G Consumers



Pick well managed businesses having scalable opportunities and superior return on capital employed

## Qualitative factors:

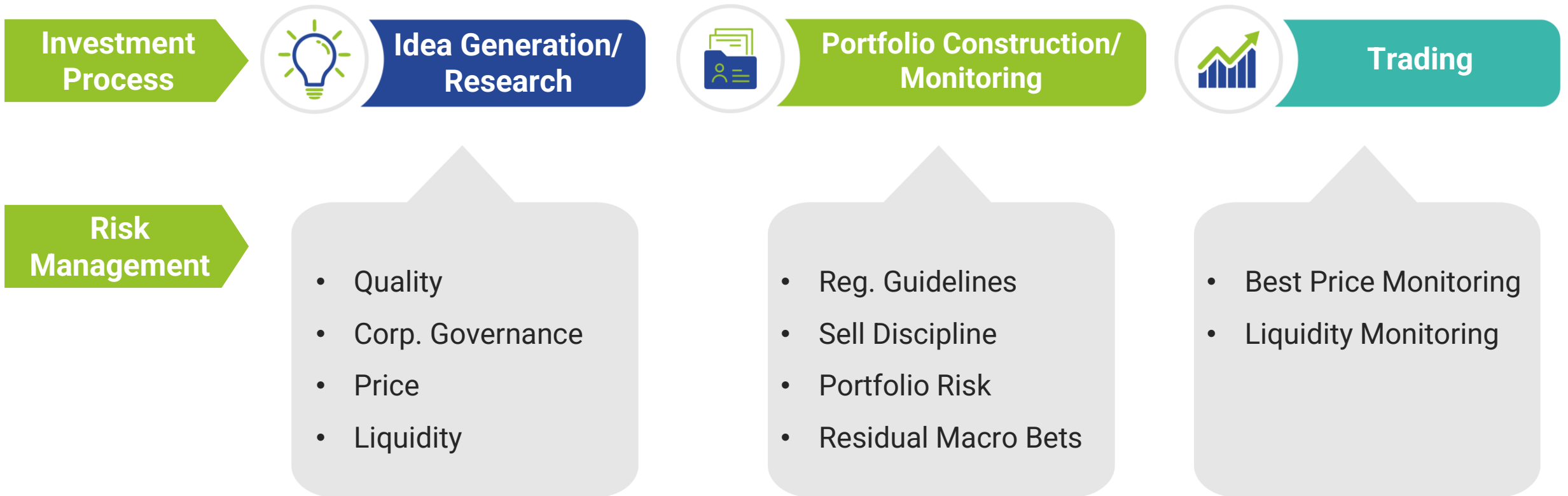


## Quantitative factors:

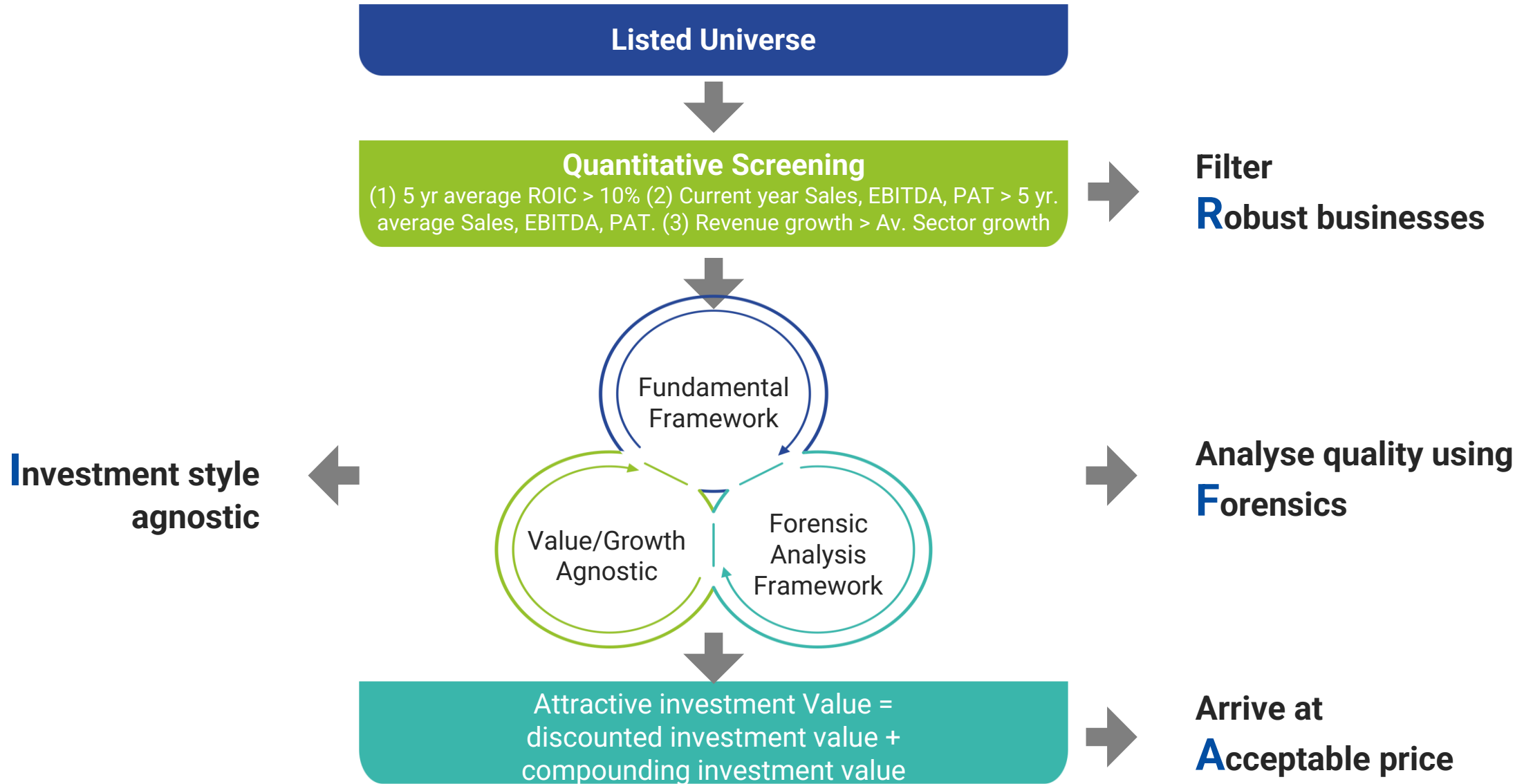
1. 5yr. average core business returns more than 10% to ensure company is earning higher than its cost of capital
2. Current year Sales, EBITDA, PAT should be more than 5yr. average Sales, EBITDA, PAT to ensure we leave out de-growing companies
3. Higher cash-flow conversion compared to sector peers over last business cycle

# Risk Management at each level of investment process

Risk management is core to our strategy at each level of investment process



# Our investment process



# Our Equity Long-only Investment Team



**Trideep Bhattacharya**  
**CIO - Equities**

Years of experience

**25 Years**

**Coverage**

**Macro, Pharmaceuticals**



**Sahil Shah**  
**Fund Manager**

Years of experience

**17 Years**

**Coverage**

**Automobiles, Consumer Discretionary, Chemicals, Miscellaneous sectors**



**Ashwani Agarwalla**  
**Fund Manager**

Years of experience

**19 Years**

**Coverage**

**BFSI, Consumer Staples, Real Estate**



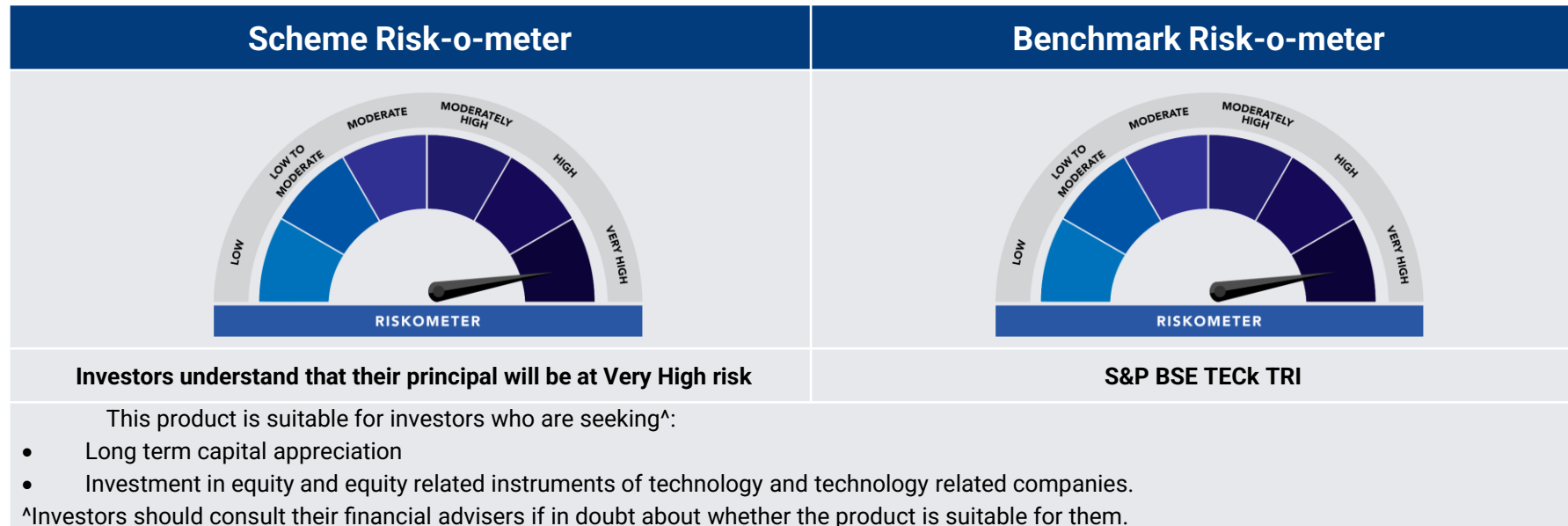
**Mehul Dalmia**  
**Research Analyst**

Years of experience

**7 Years**

**Coverage**

**IT, Pharmaceuticals, ESG and Forensic Analysis**



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The above is the investment ideology which will be followed by the fund manager. However, this can change based on market dynamics, economic scenarios etc. For detailed investment strategy, risk factors of the schemes please refer to SID available on website. The representational logos used does not imply any affiliation or endorsement by the brands. These are for illustration purpose only.

Please click on [Factsheet](#) for performance of other funds managed by the fund managers.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

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