



**ALFA**CCURATE **A**DVISORS

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# **AAA EMERGING BUSINESS OPPORTUNITIES PORTFOLIO**

*Thinking Beyond Ordinary*

# AAA Emerging Business Opportunities

## Portfolio Features

### Portfolio Overview

AAA Emerging Business Opportunities is a portfolio of 10-15 companies which are market leaders with strong corporate governance and high growth potential with investment horizon of 3-5 years.



### Portfolio Strategy

AAA Emerging Business Opportunities portfolio focus on long-term growth potential by capitalizing on business opportunities driven by evolving consumer behaviour, changing technology trends, formalization of the economy, and a rising focus on niche business segments.



### Portfolio Marketcap

Multicap



### Minimum Investment Amount

Rs. 5,00,000



# Snapshot - AlfAccurate Advisors



**AWARD FOR BEST 10 YEAR  
PERFORMANCE (RANK 2\*) IN THE  
COUNTRY (FEB2020)**



**AWARD FOR BEST 10 YEAR  
PERFORMANCE (RANK 3\*) IN THE  
COUNTRY (FEB2021)**

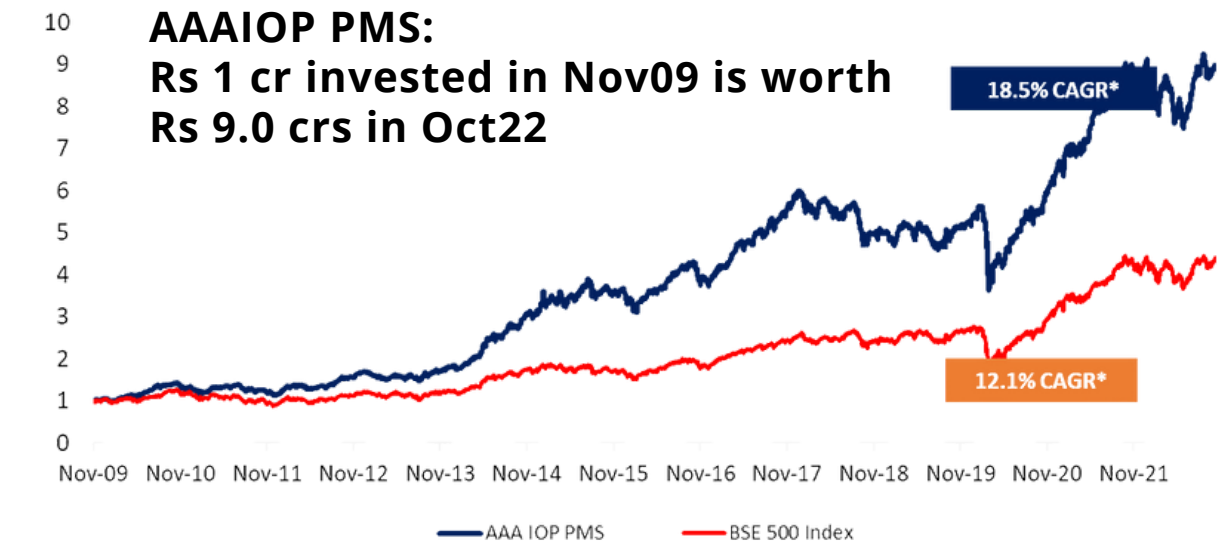
## *ABOUT US*

- Set up by Rajesh Kothari in 2009, AlfAccurate Advisors (AAA) is one of the leading investment management firms in India.
- Prior to AAA, Rajesh was Fund Manager with DSP MF & Partner with Voyager Investment Advisors (FII).
- He received CNBC TV18 - CRISIL Mutual Fund of the Year Award & Platinum Fund Manager Award for DSP EQUITY FUND.

## *INVESTMENT PHILOSOPHY*

- Our motto is "Protect Capital, Create Wealth".
- Investing focused on long-term wealth creation that is resilient to market ups & downs.
- Investing in companies which are resilient to economic shocks.
- Riding the waves of volatility in a balanced manner

## *PERFORMANCE*



\*By PMSAIF World across categories on risk adjusted returns  
Disclaimer: Performance is for AAAIOP PMS from 23 Nov 2009-30 to Oct 2022. Performance is after all expenses and fees from April 2018 onwards. Prior to April 2018, the performance is after all expenses and Fixed Management fees. Index performance is calculated using Total Return Indices, as per SEBI guidelines. Returns of individual clients may differ depending on the time of entry in the Strategy. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance-related information provided herein is not verified by SEBI.

# Why AAA Investment Advisory?

## **ADVISE THAT IS ALWAYS IN YOUR INTEREST**

When you do better,  
we do better.

## **AWARD WINNING INVESTMENT TEAM**

Over seventy years of  
experience in  
Indian equity market



## **DISCIPLINED AND ACTIVE INVESTMENT MANAGEMENT**

Not just stock pickers but  
active portfolio managers  
centered on your long-term  
goals

## **TRANSPARENCY**

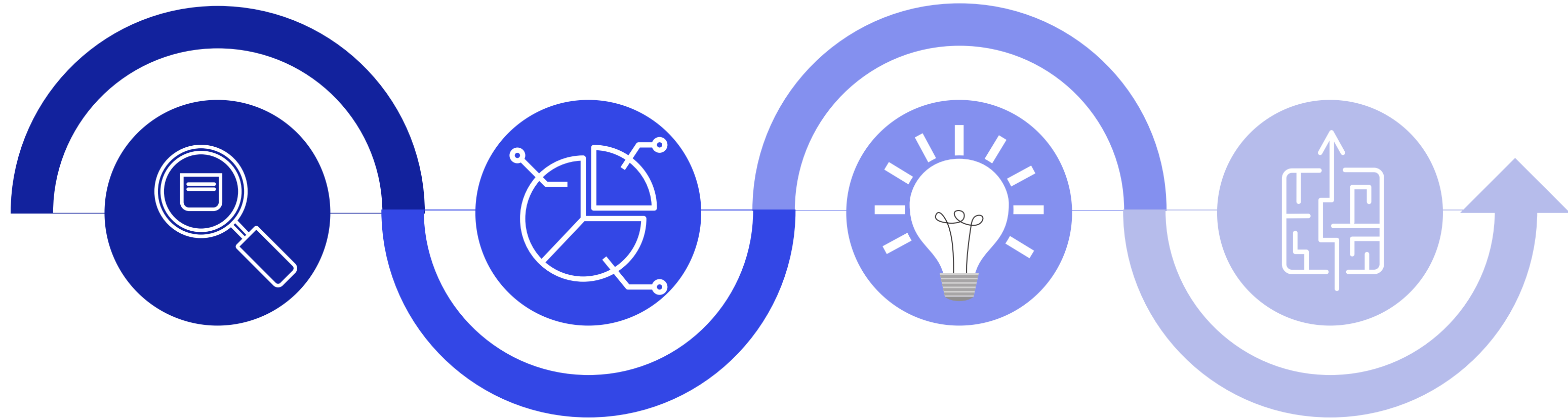
We are transparent about  
the investing decisions to  
make sure you're  
comfortable with our  
investing approach





ALFAccurate ADVISORS

# Investment Process



## *Stock Identification*

- Identify trends from a universe of 450 companies.
- Filtering approach – using a variety of valuation parameters to filter the stocks with less risks, good cash flow and returns.

## *Analysis*

- Initial screening
- Corporate meetings & on-ground due diligence
- Detailed financial analysis with forensic evaluation
- Presentation to investment committee

## *Portfolio Construction*

- Combination of Top Down and Bottom Up approach
- Continuous portfolio monitoring to ensures prudent risk management

## *Exit Strategy*

- Constant evaluation of valuation metrics to decide optimum return potential
- Intrinsic value V/s Current Market Price to evaluate Margin of Safety

# What we look in the company?

## GREAT MANAGEMENT



We seek companies that are led by a competent management team, that are best-of-breed within their sector and have some defensible characteristics—i.e. patents, infrastructure, cost competitiveness, brand, etc. They have focused approach with efficient capital allocation.

## MARKET INNOVATION



We invest in well-established companies that are breaking new ground, whether it's through exploring untapped markets or creating entirely new products and experiences that address consumer needs in new ways.

## SIGNIFICANT GROWTH POTENTIAL



We invest in companies that will capitalise from emerging business opportunities, and hence, they are expected to grow faster than the underlying economy. The faster earnings growth is key to our investments.

# Why AAA Emerging Business Opportunities Portfolio?



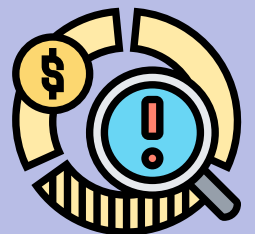
**Capitalise on changing consumer behaviour**



**Capitalise on new technology trends**



**Capitalise on formalisation of economy**



**Capitalise on Niche Business Segments**

## **AAA Emerging Business Opportunities Portfolio,**

A curated portfolio of 10-15 companies which are likely to be big beneficiaries of emerging opportunities.



# Capitalise on changing consumer behaviour

Indian retail is undergoing a rapid digital transformation propelled by - online buying/selling, store and inventory management, digital marketing etc. The e-commerce market size is expected to increase 4x from from USD26bn in FY21 to USD110bn in FY25.

**FROM OFFLINE DISCOVERY**



**TO ONLINE ANYTIME + ANYWHERE**



# Capitalise on changing consumer behaviour

**95%**

of the consumers have made at least one change to their lifestyle that they expect to be permanent.

**343%**

Increase in the the proportion of online purchases for products such as food, home decor, luxury goods

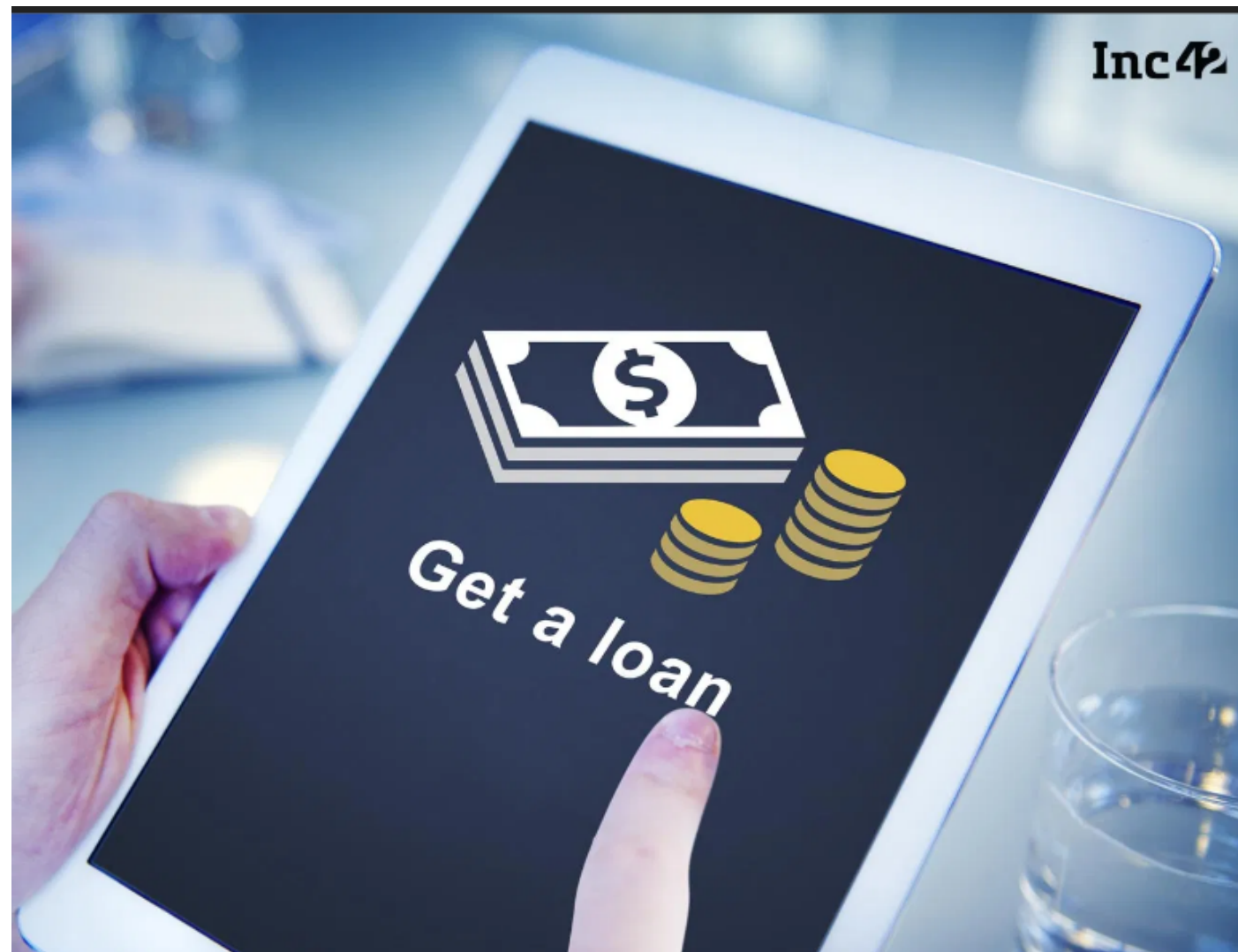
**79%**

Would like to work from a "Third place" - a location other than their home or workplace.



# Capitalise on technology trends

Digital Lending in India increased by 12 times in last 7 years to USD120 billion.



Source: PWC report

~39% of total transactions in India presently are in digital mode compared to less than ~3% in 2012.



Source: The Hindu business line Article



# Capitalise on formalisation of the economy

Led by Formalisation, economy is shifting from unorganised to organised sector. For instance, in retail industry, Organised Retail and Ecommerce share has increased from 12% in FY19 to 25% in FY21.



# Capitalise on niche business segments



## Product Specialization

Niche companies/segments specialise in a product or service and control a small but very profitable niche.



## Value Added Segments

Niche players are into value added products and services and they respond to competition with innovation and higher quality products.



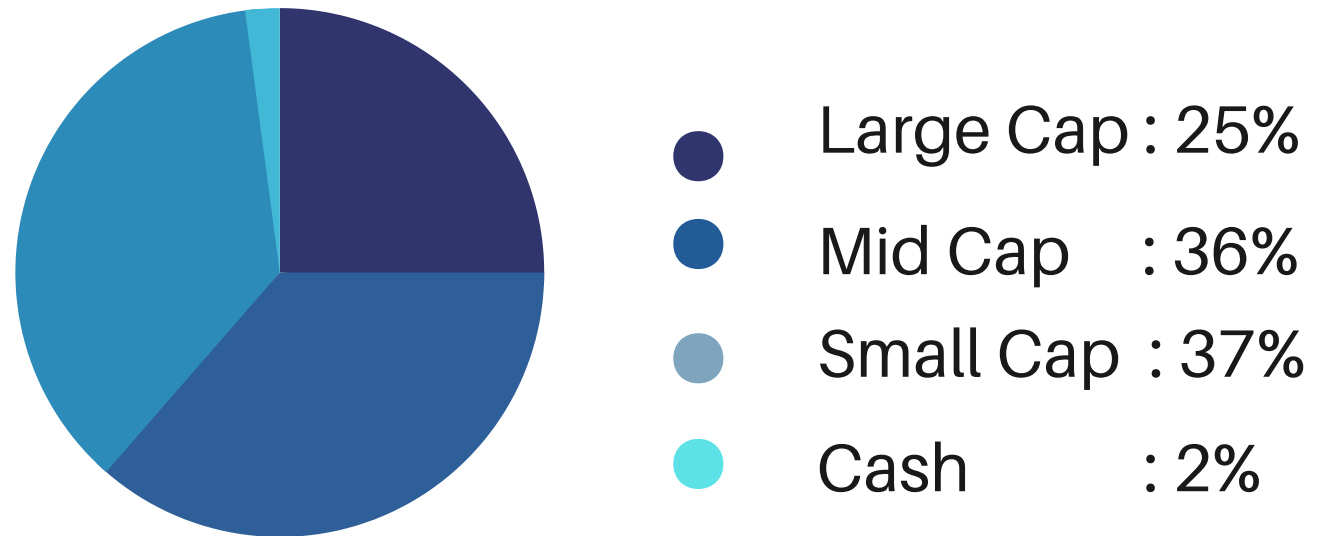
## Small to Big

We believe that small companies operating and dominating in niche areas can become bluechips of tomorrow.

**Few examples: Contract research, staffing services, express logistics, speciality chemicals, Specialised engineering services, etc.**

# Sectoral and Stocks Allocation

## Multicap



(Data as on 31 Oct 22)

## Sectoral Allocation

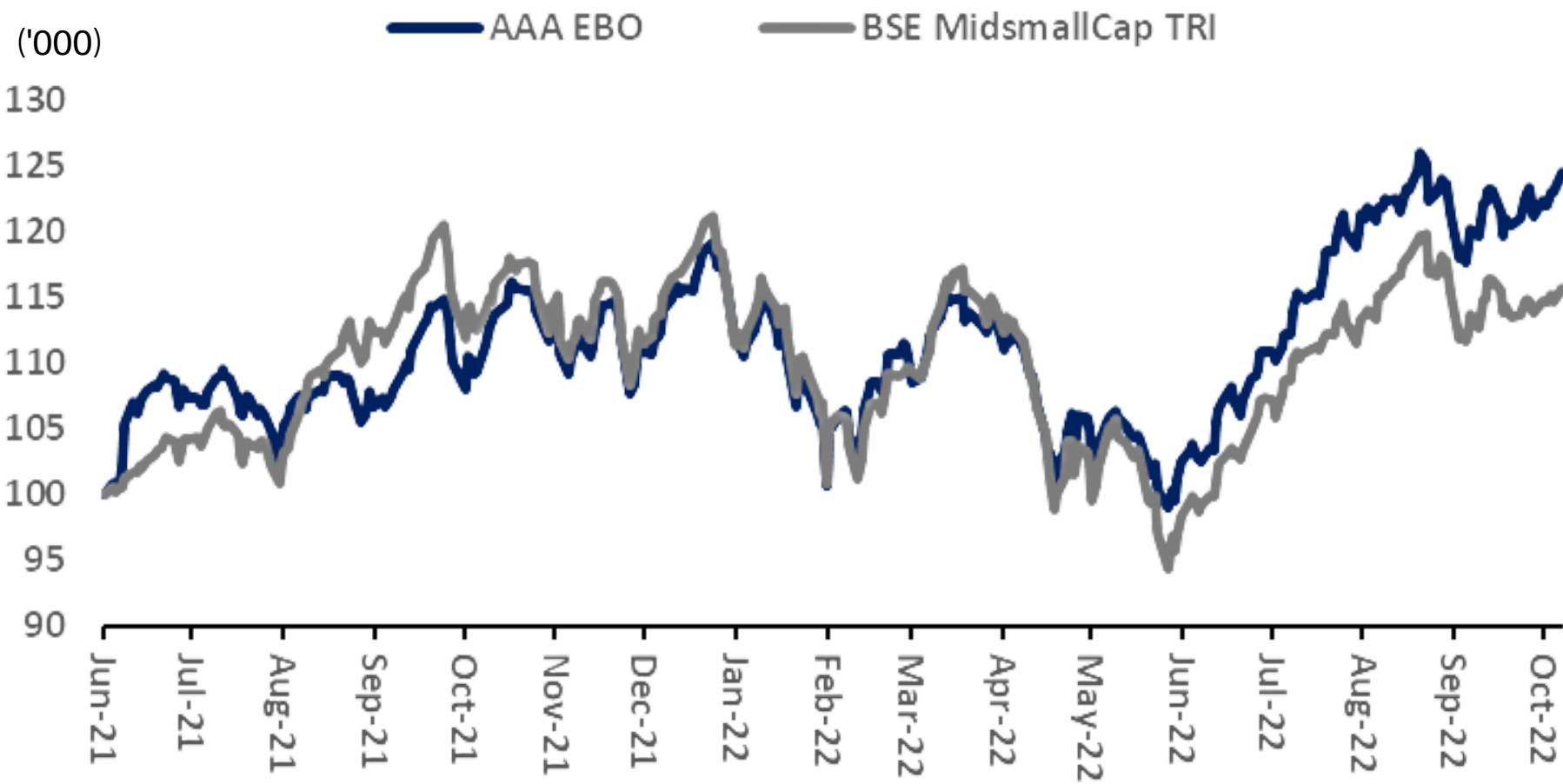
Consumer	: 33%
Engineering	: 31%
Banking & Finance	: 23%
Auto Ancillary	: 7%
Chemical	: 4%

## Top 5 Holdings

- 1) Trent
- 2) Siemens
- 3) KSB
- 4) Safari Industries
- 5) TATA Consumer Products

# AAA EBO Performance

## GROWTH OF Rs. 100,000



## PERFORMANCE

AAA Emerging Business opportunities	24.5%
BSE MidSmall Cap Index	15.6%

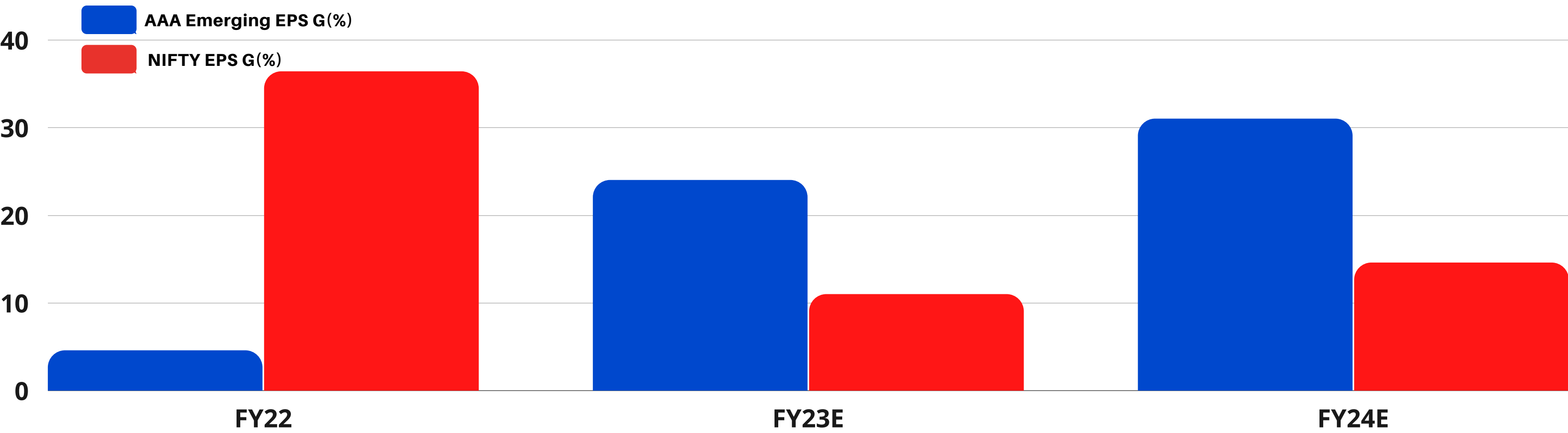
(Performance from 25 Jun 2021 to 31 Oct 22)

Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Performance related information provided herein is not verified by SEBI.

Equity Investments are subject to Market risks. Please read all plan related documents carefully.

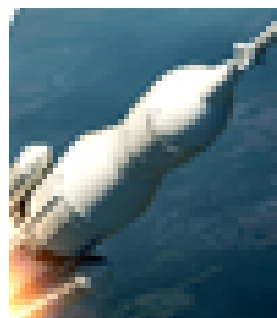
# AAA EBO: Earnings performance

Earnings Matrix	Nifty FY22	AAA Emerging FY22	Nifty FY23E	AAA Emerging FY23E	Nifty FY24E	AAA Emerging FY24E
EPS G(%)	36.4%	4.6%	11.0%	24.0%	14.6%	31.0%
ROE(%)	14.2%	13.9%	14.3%	14.9%	14.8%	16.7%



Source: AAA research

# Key Holdings



Leading precision engineering solutions company with diverse revenue streams such as clean energy, nuclear, space & defence. It is poised for robust growth over the next 3 years led by technology changes, favourable government policies, capacity augmentation by the private sector (space) and entry into new segments.

Play on changing technology trends



Leading player in the Indian branded retail industry having multiple store formats. Ability to control entire value chain gives a competitive edge. With India's rising working women population, customer preference is shifting towards branded and trendy designs from large organised players.

Play on changing Consumer behaviour



5th largest profit making company in Sp. chemical universe. The world leader in IBB & ATBS - competitive in cost and pricing and integrated, enjoying the advantages of scale. Large capex to double revenue over next 3-4 years. (5x Revenue and 8x Net Profit in last 10 years).

Niche chemical company



# Award Winning Investment Team



**Rajesh Kothari**

(Grad CWA, MBA)

Founder & MD,  
AlfAccurate Advisors



**Govind Agrawal**

(FCA - Chartered Accountant, LLB)

Director,  
AlfAccurate  
Advisors



**Amar Mourya**

(MBA)

Fund Manager,  
Investment Advisory

# Award Winning Investment Team



**Rajesh Kothari**

(Grad CWA, MBA)

Founder & MD,  
AlfAccurate Advisors

Mr. Rajesh Kothari is the visionary Founder & Managing Director of AlfAccurate Advisors & the driving force behind making AAA one of India's most respected, award-winning investment management firms. With 25+ years of rich experience in the Indian capital market, he has conceptualized & executed AAA's unique Radically Resilient investment ethos and 3M investment philosophy towards consistent superior risk-adjusted returns over the past 11 years.

Prior to founding AAA, Rajesh was a Fund Manager at DSP Mutual Fund). For his superior performance, Rajesh was Rated as "Platinum Fund Manager" by Economic Times for DSPML Equity Fund on a risk-adjusted return basis (Jul 2006) and received CNBC TV18 - CRISIL Mutual Fund of the Year Award in 2006.

Rajesh is a frequently invited guest at premium business channels like CNBC-TV18, ETNOW, Bloomberg TV.

# Award Winning Investment Team



**Govind Agrawal**

(FCA - Chartered Accountant, LLB)

**Director**

A seasoned equity professional, Govind brings over 26+ years of equity experience across fund management and institutional equity sales at top AMCs (Reliance MF) and institutional equity brokerage firms (UBS, Motilal) to the formidable investment team here at AlfAccurate.

Prior to his role at AAA, he served as Fund Manager with Reliance Mutual Fund (USD 20bn) for over four years. Under his stewardship, Reliance Emergent India Fund (USD 100m offshore fund) outperformed benchmark indices by 35% since its inception.

He harnesses his financial acumen and investment expertise for strategizing, growing, and managing the operations at AlfAccurate Advisors.



# Award Winning Investment Team



**Amar Mourya**

(MBA)

Fund Manager  
Investment Advisory

Amar Mourya has over fifteen years of experience in equities in India and US markets. In these many years, he covered many sectors like IT, Telecom, FMCG, Real-Estate, Agro-Chemicals, Specialty Chemicals, Semiconductors, US Internet Companies, Defense and Diversified Mid-caps.

Before joining AAA, he spent significant time as an Equity Research Analyst at Emkay Global, IndiaNivesh Securities, and BOE Research - USA based Equity Research Firm.

He has been a well-established stock-picker and sell-side analyst in various investor surveys like Institutional Investor and Asiamoney.

Amar holds an MBA degree from Lala Lajpatrai Institute of Management, Mumbai.

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THANK YOU

