

# UTI Investment Process



*Haq, ek behtar zindagi ka.*



*January 2023*

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

# About Our Equity Investment Team



**Vetri Subramaniam**  
Chief Investment Officer



**Ajay Tyagi, CFA**  
Head of Equity & Fund Manager



**V Srivatsa**  
Fund Manager



**Vishal Chopda, CFA**  
Fund Manager



**Deepesh Agarwal**  
Research Analyst  
Capital Goods, Textiles  
Infra – Construction, Utilities



**Lokesh Kulthia**  
Investment Associate



**Sachin Trivedi**  
Head of Research & Fund Manager



**Kamal Gada**  
Fund Manager  
Overseas Investment  
Pharma, Fertilizer,  
Chemicals, Media



**Nitinn Aggarwal**  
Research Analyst  
Auto OEMs, Auto  
Ancillaries & Logistics



**Mahesh Vyas**  
Investment Associate



**Amit Premchandani**  
Fund Manager



**Preethi R S**  
Fund Manager &  
Research Analyst  
Financials



**Pradnya S. Ganar**  
Research Analyst  
Healthcare



**Aalokek Kumar**  
Investment Associate



**Ankit Agarwal**  
Fund Manager



**Parag Chavan, CFA**  
Research Analyst  
Metals & Mining, Building  
Materials, Consumer  
Durables



**Suraj Purohit**  
ESG Analyst



**Karthikraj Lakshmanan**  
Fund Manager



**Nitin Jain**  
Research Analyst  
IT, Internet Sector,  
Oil & Gas



**Ayush Jain**  
Assistant Fund Manager



**Sharwan Goyal, CFA**  
Fund Manager – Passive  
Investments



**Vicky Punjabi**  
Research Analyst  
FMCG, QSR, Retail



**Akash Shah**  
Investment Associate

Data as of December 31, 2021. Collective MF work experience of the team is **over 220 Years**. Average work experience of fund managers is **over 15 Years**. Average work experience of research analysts is about **6 Years** (based total work experience in Mutual Fund Industry). Collective overall experience of the team is **over 355 years**.  
MF – Mutual Fund; FMCG – Fast-Moving Consumer Goods; QSR – Quick Service Restaurants; IT – Information Technology; HFC – Housing Finance Company; NBFC – Non-banking Finance Company



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## Assets Managed by the Equity Investment Team



### UTI AMC Ltd. Group

₹ 14,97,777 Crores  
\$ 1,80,921 Million



### Equity Team

₹ 1,93,905 Crores  
\$ 23,422 Million



### UTI PMS & International (Equity)

₹ 13,892 Crores  
\$ 1,678 Million



### UTI MF (Equity)

₹ 1,55,198 Crores  
\$ 18,747 Million



### UTI MF (Hybrid)\*

₹ 24,815 Crores  
\$ 2,997 Million

**If you can't describe what you are doing as a process,  
you don't know what you're doing.**

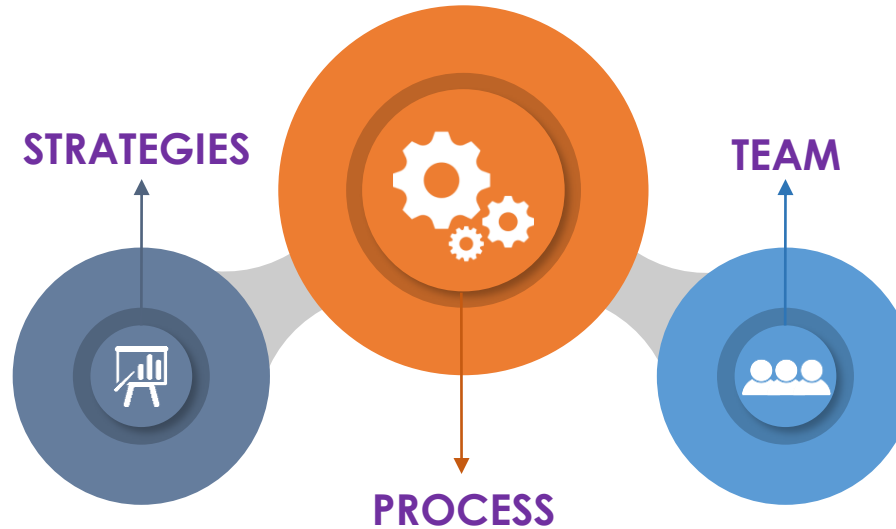
- W. Edwards Deming

**Investment Process**



# Investment Process

- Support diverse strategies
- Style discipline



- Team driven approach
- Discussion & Review

- Standardized research methodology
- Identifying good stocks, avoiding poor stocks
- Consistency over time

**Research Methodology**

Driven by **Research Analysts**

**Portfolio Construction**

Driven by **Fund Managers**

# Responsibility Framework

## Chief Investment Officer

- Design & implementation of the process
- Oversight of all strategies & risk management
- Management & development of talent
- Responsible for overall investment performance

## Head of Equity

- Final approval of all companies in the UTI Universe along with Head of Research
- Monitoring and review of all strategies & funds
- Evaluation encompasses all funds and strategies including thematic & sector funds

## Fund Managers

- Responsible for performance of the fund relative to its benchmark
- Decides on stock and sector allocations as well as trade decision for each fund subject to risk limits & strategy discipline
- Restricted from buying stocks outside the universe and 'Not Rated' companies
- Evaluation covers multiple periods (1 to 7 years) of performance relative to benchmark as well as peer group

## Research Analysts

- Responsible for company research, typically arranged by sectors
- Expected to regularly interact with companies and other sources
- Manages a model portfolio for their respective sector/s to demonstrate relative preferences
- Scan their sector for new ideas
- Evaluated on the model portfolio over a 1 to 3 year period & their high-conviction ideas





# Score $\alpha$

A Rigorous and Pragmatic Approach to Equity Investing



## Research Methodology



Haq, ek behtar zindagi ka.

### Factors

### Why it matters?



**Operating Cash Flow  
(OCF)**

**Profits are an opinion based  
on accounting principles,  
cash is a fact**



**Return on Capital/  
Equity (RoCE / RoE)**

**When  $\text{RoCE} > \text{Cost of Capital}$ ,  
the business creates wealth**



## Research Methodology: 3-Tier rating process

### Operating Cash Flow (OCF) and Return on Capital Employed (RoCE) Tiers

Sector	Metric	C1	C2	C3
All companies (excluding Financials)	Positive OCF	In all previous 5 years	in 3 or 4 of the previous 5 years	In 2 or less of the previous 5 years

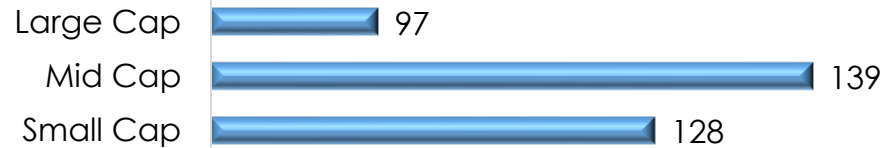
Sector	Metric	R1	R2	R3
All companies (excluding Financials)	RoCE	> 18% (5 year average)	10% - 18% (5 year average)	<=10% (5 year average)
Banks & HFCs	RoA	> 1.2% (5 year average)	1.2% - 0.8% (5 year average)	<=0.8% (5 year average)
NBFCs (excluding HFCs)	RoA	> 2.4% (5 year average)	1.8% - 2.4% (5 year average)	<=1.8% (5 year average)
Non-lending NBFCs	RoE	> 15% (5 year average)	> 10% - 15% (5 year average)	<=10% (5 year average)

# Research Methodology – Rating System

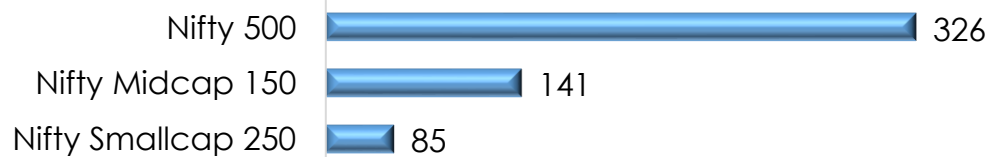
## INVESTMENT UNIVERSE



### Coverage based on Market cap



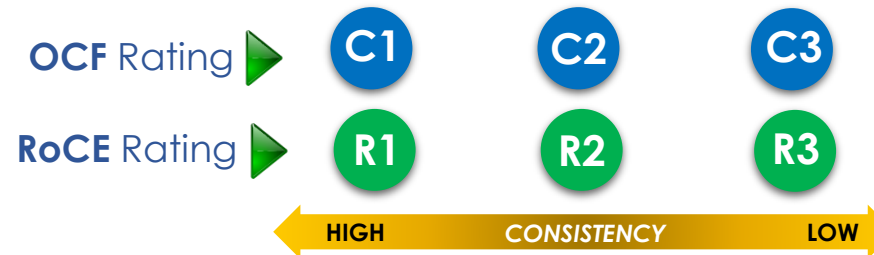
### Coverage based on Indices



## RATING PROCESS

Every company gets an **OCF & RoCE rating** based on its previous 5 years data

### 3 TIER RATING SYSTEM



### BREAK-UP OF TIERS

#### OCF Tiers

(Ex-Financials – 60 Companies)



#### RoCE Tiers



Operating Cash Flow Tiers (C) - 3 Tiers based on the number of years in which they have generated positive operating cash flows in the previous 5 years (for manufacturing companies), RoCE/ Implied RoE Tiers (R) - 3 Tiers based on the previous 5-year average return on capital (for manufacturing companies & non-lending nonbanking finance companies (NBFCs)) & based on the previous 5-year average return on asset for banks & NBFCs (including housing finance companies).

**Market Capitalisation:** Definition of Large Cap, Mid Cap and Small Cap: As per the SEBI circular SEBI/HO/IMD/DF3/CIR/P/2017/114 of Oct 06 2017 a definition has been provided of large cap, mid cap and small cap as follows. a) Large Cap: 1<sup>st</sup> - 100<sup>th</sup> company in terms of full market capitalization b) Mid Cap: 101<sup>st</sup> - 250<sup>th</sup> company in terms of full market capitalization c) Small Cap: 251<sup>st</sup> company onwards in terms of full market capitalization.

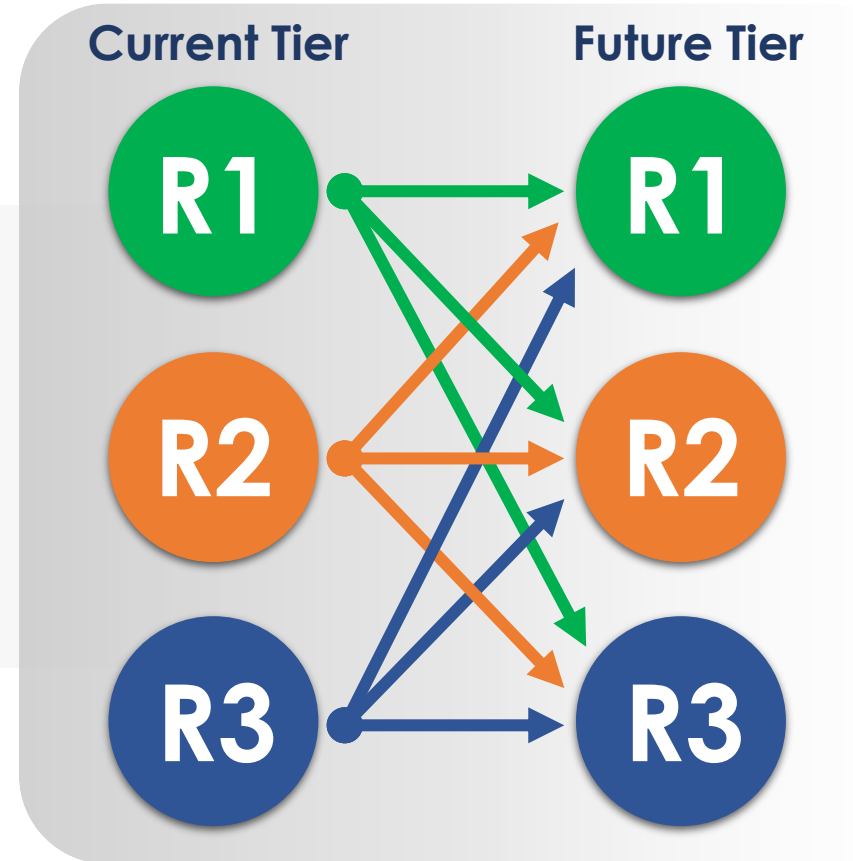
All data as of December 31, 2022

## Research Methodology – Investment Argument

- Detailed financial models for each company with 10-year history
- Checklist – Assumptions v/s History

### Investment argument is built on the tiers

- Current & Past tier ranking of the company
  - Reasons why the company would in the future maintain its tier ranking
  - Reasons why the company might undergo an upgrade/ downgrade in tier rankings
- No investment in 'Not Approved' companies
  - Management quality
  - Growth prospects
  - Valuations



**Potential migration across tiers underpins the investment argument**

## Example: Tier Migration (RoCE) from FY17 to FY22 & Price Returns

### Probability of Migration v/s Returns

#### UTI INVESTMENT UNIVERSE

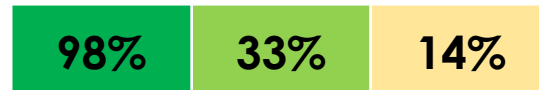
**FY17**  
No. of  
Companies



**FY22**  
No. of  
Companies



Average PTP  
Stock Returns



OCF is Hygiene, RoCE creates Wealth



# Score $\alpha$

A Rigorous and Pragmatic Approach to Equity Investing

## Portfolio Construction



Haq, ek behtar zindagi ka.

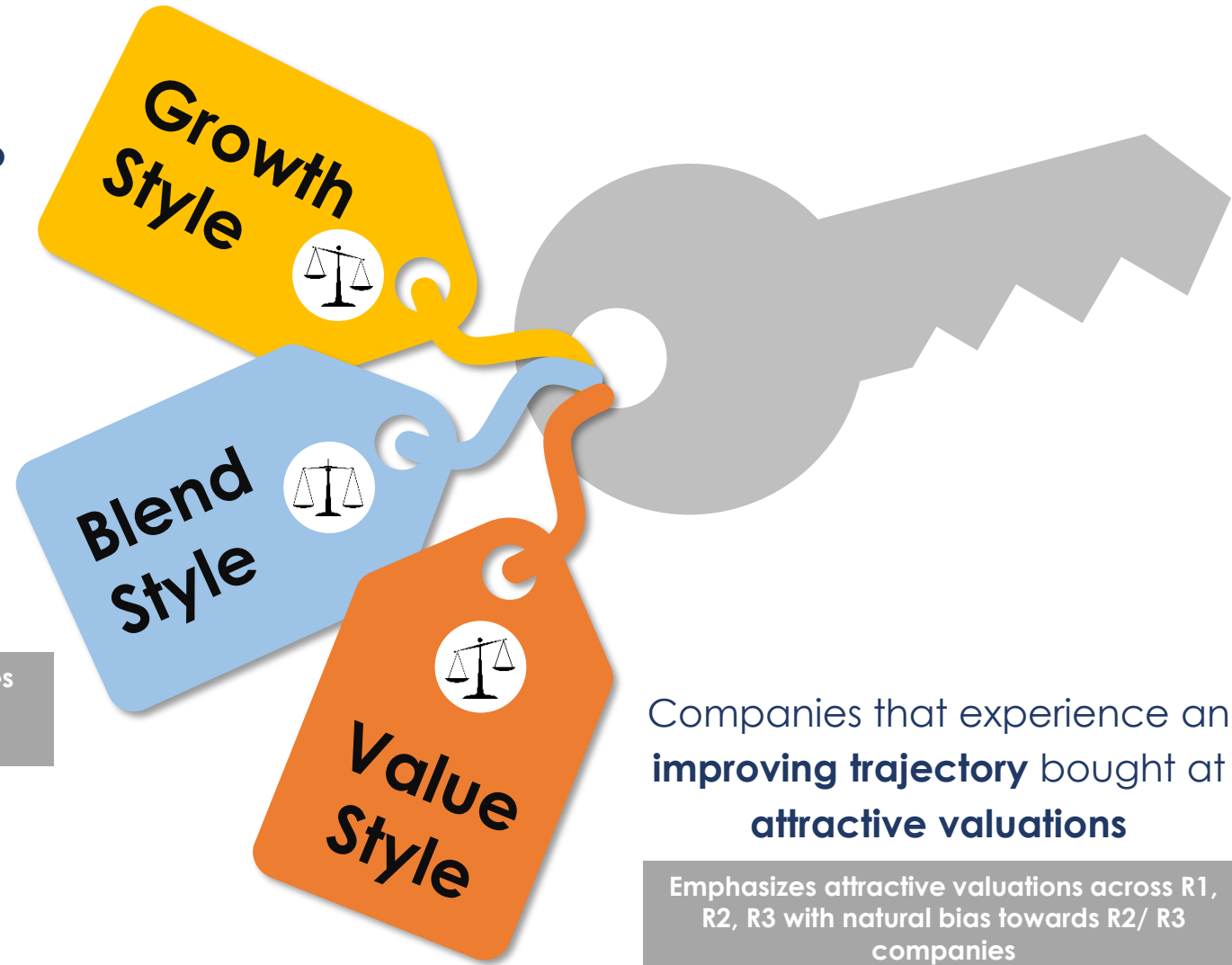
# Portfolio Construction : Diversity & Discipline

Companies that can **self-sustain** their growth and have the **ability to invest** at high rates of return

Emphasizes R1, C1 Companies

Blend of Growth & Value in varying proportions

Built around a core of R1, C1 companies but also includes allocation to R2/ R3 companies

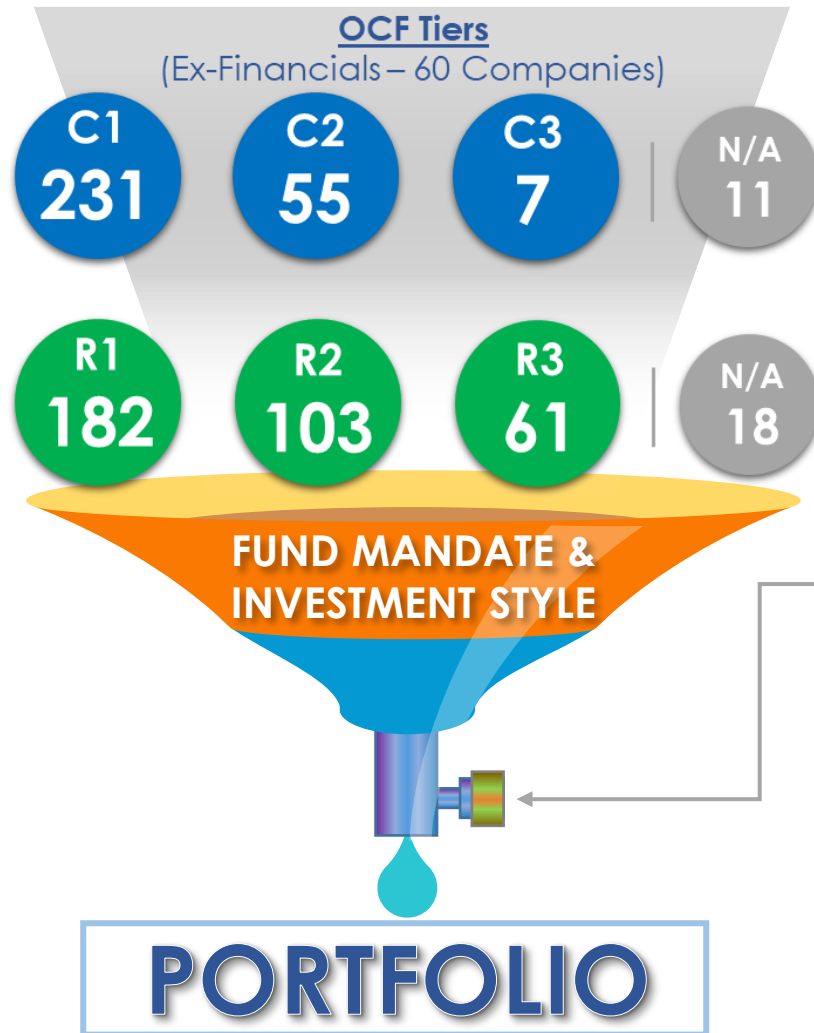


Companies that experience an **improving trajectory** bought at **attractive valuations**

Emphasizes attractive valuations across R1, R2, R3 with natural bias towards R2/ R3 companies



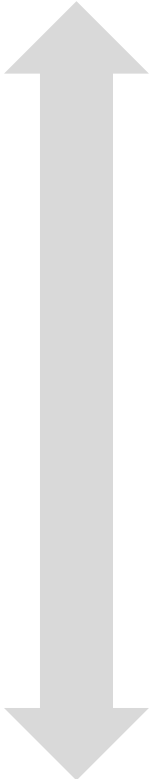
# Portfolio Construction



## Portfolio Construction driven by

- Investment Strategy as per SID
- Bottom-up / Top-down
- Stock selection – mandate & style drive choice of stocks across the OCF & RoCE tiers
- Sector view wherever applicable
- Market cap allocation
- Risk parameters – single stock/ sector/ concentration/ off benchmark

## Diverse Strategies

SCHEME	OCF / ROCE	ACTIVE SHARE	INVESTMENT STYLE	
<b>UTI FLEXI CAP FUND</b> Flexi-cap Fund	R1 <b>83%</b> C1 <b>94%</b>	<b>66%</b>	Quality & Growth	<b>GROWTH</b>  <b>VALUE</b>
<b>UTI SMALL CAP FUND</b> Small-cap Fund	R1 <b>68%</b> C1 <b>68%</b>	<b>74%</b>	Blend – Growth Tilt	
<b>UTI MID CAP FUND</b> Mid-cap Fund	R1 <b>58%</b> C1 <b>86%</b>	<b>66%</b>	Blend – Growth Tilt	
<b>UTI MASTERSHARE UNIT SCHEME</b> Large-cap Fund	R1 <b>55%</b> C1 <b>91%</b>	<b>42%</b>	GARP	
<b>UTI FOCUSED EQUITY FUND</b> Focused Fund	R1 <b>54%</b> C1 <b>99%</b>	<b>74%</b>	Blend Approach	
<b>UTI LTFE (TAX SAVING)</b> ELSS	R1 <b>52%</b> C1 <b>94%</b>	<b>66%</b>	Blend Approach	
<b>UTI VALUE OPPORTUNITIES FUND</b> Value Fund	R1 <b>54%</b> C1 <b>87%</b>	<b>66%</b>	Barbell Approach	
<b>UTI CORE EQUITY FUND</b> Large & Mid-cap Fund	R1 <b>48%</b> C1 <b>79%</b>	<b>66%</b>	Relative Value	

Operating Cash Flow Tiers (C)- 3 Tiers based on the number of years in which they have generated positive operating cash flows in the previous 5 years (for manufacturing companies).  
 RoCE/ Implied RoE Tiers (R) - 3 Tiers based on the previous 5-year average return on capital (for manufacturing companies & non-lending nonbanking finance companies (NBFCs)) & based on the previous 5-year average return on asset for banks & NBFCs (including housing finance companies).  
 Portfolio Characteristics are calculated based on full market cap using weighted average methodology at aggregation.

All data as of December 31, 2022

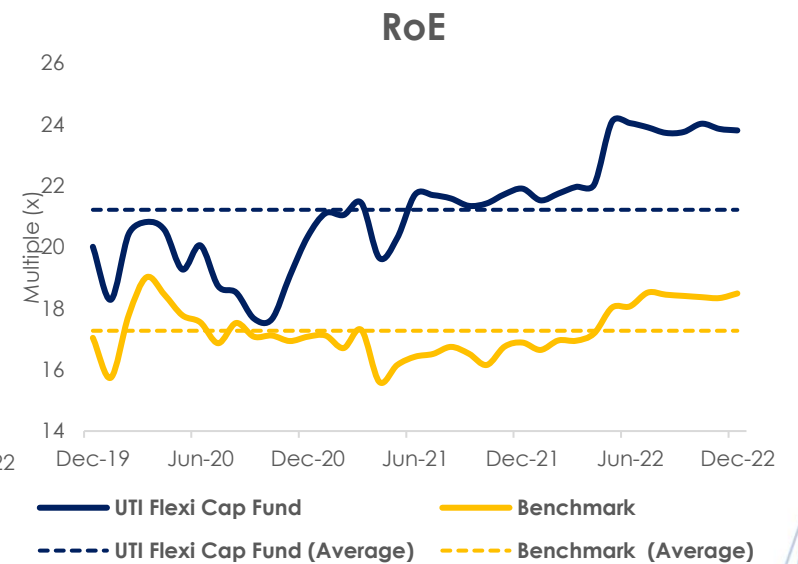
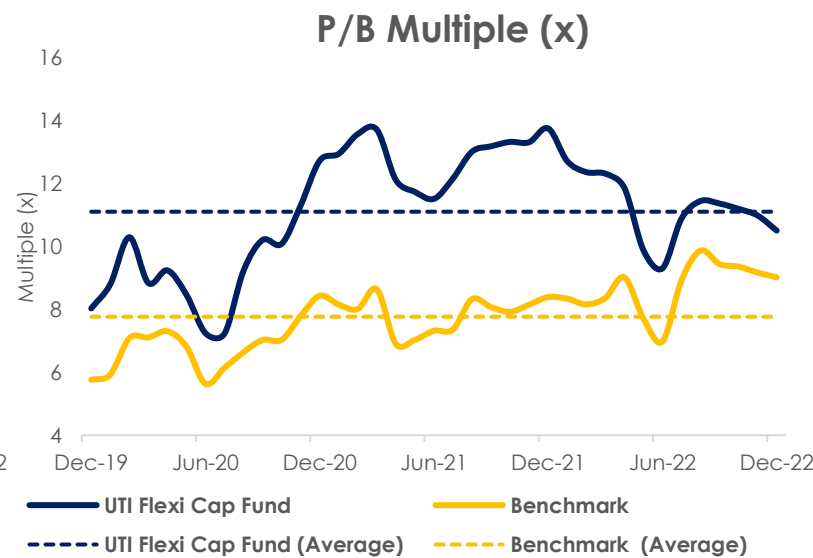
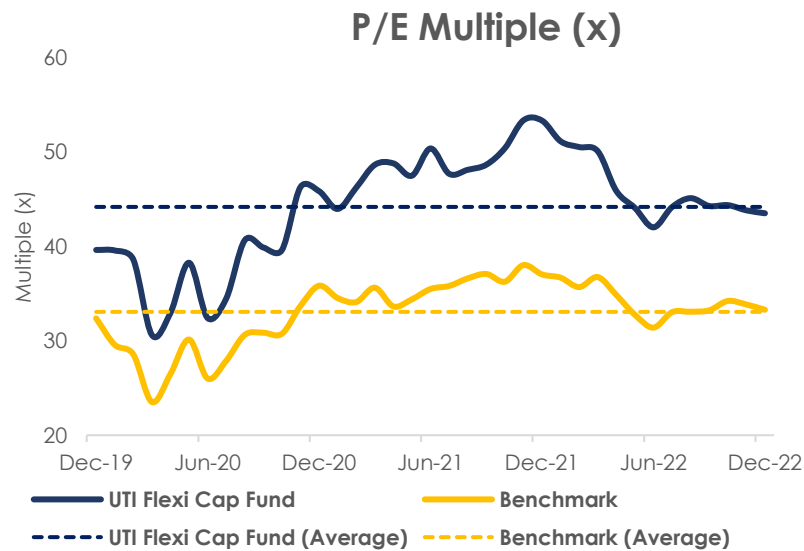
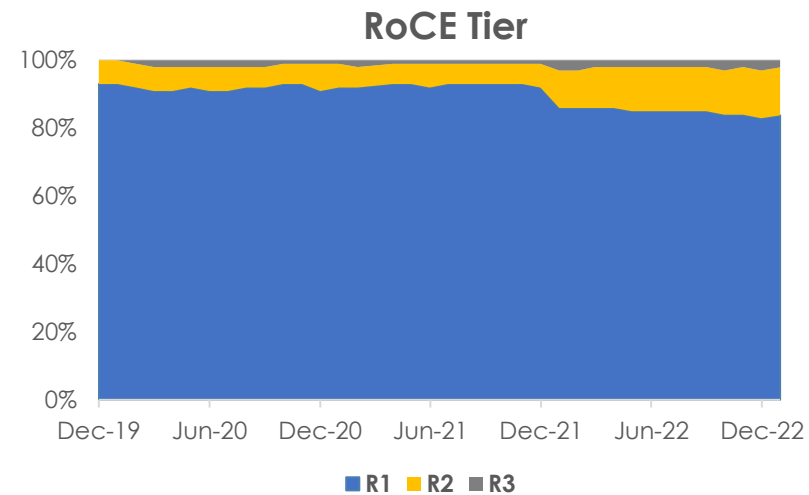
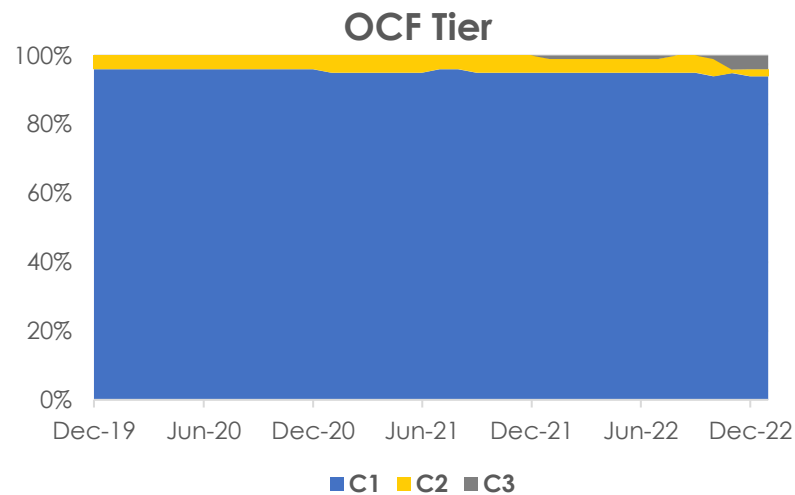


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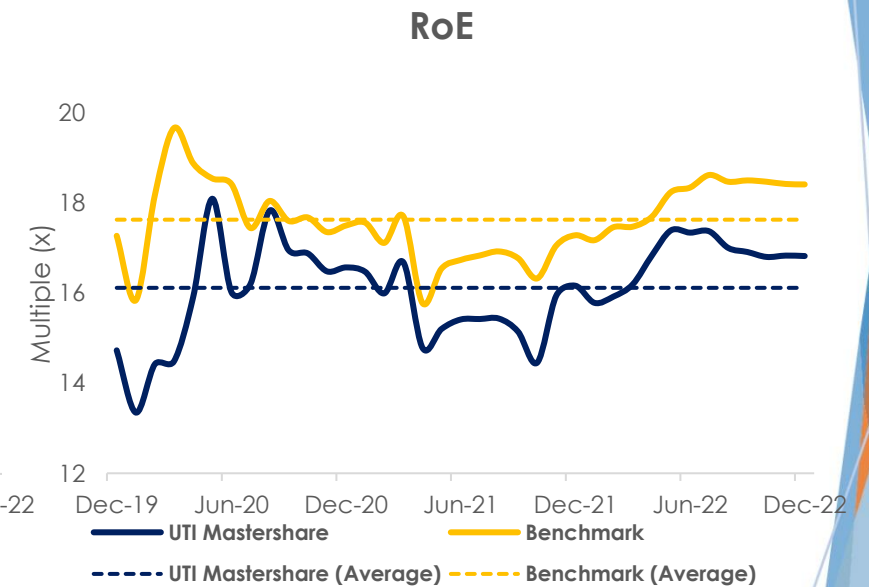
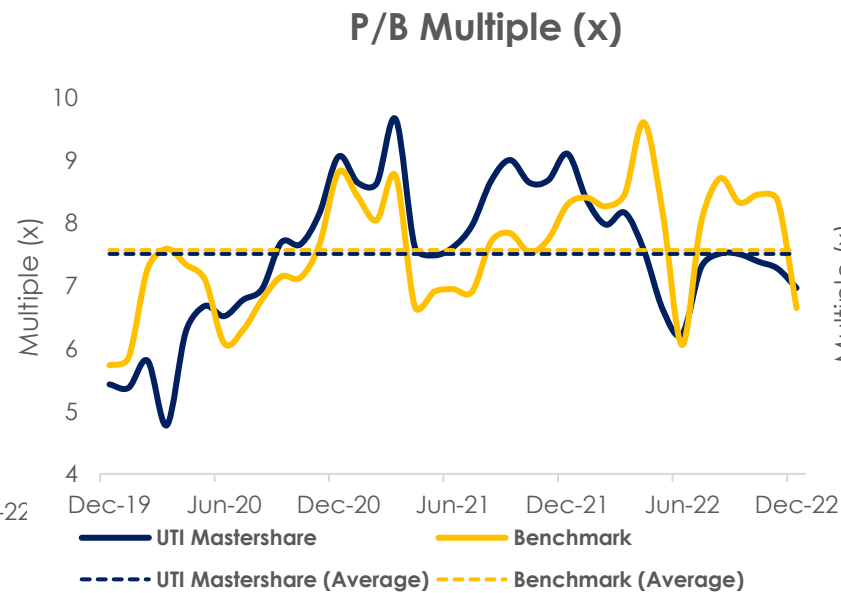
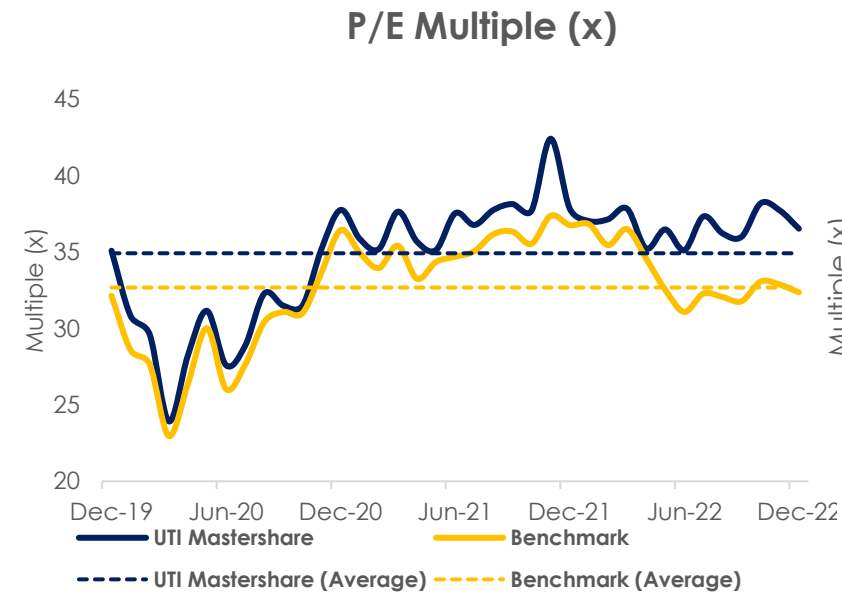
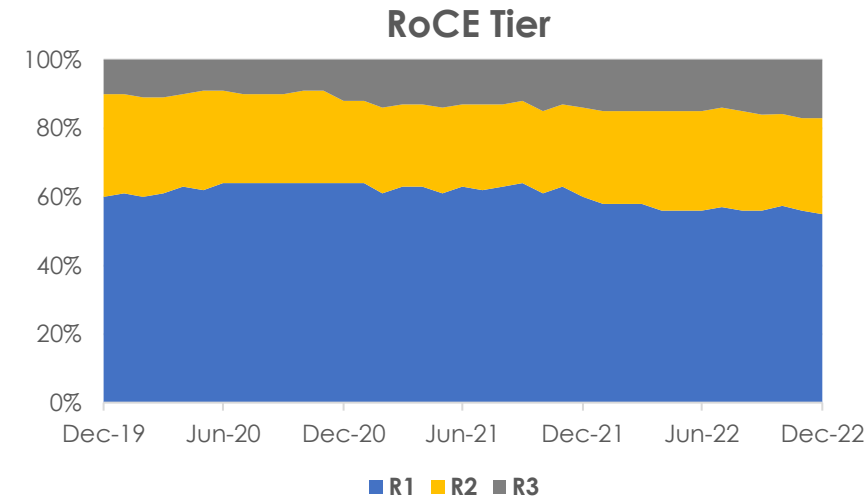
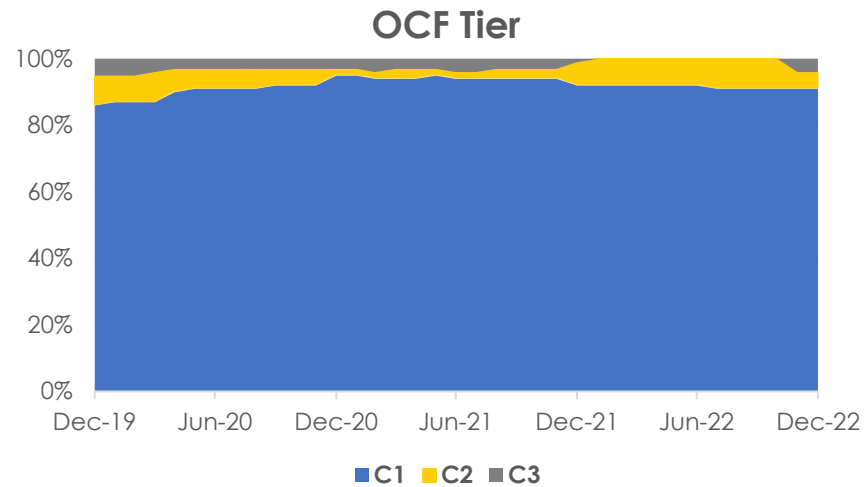


# Style Discipline

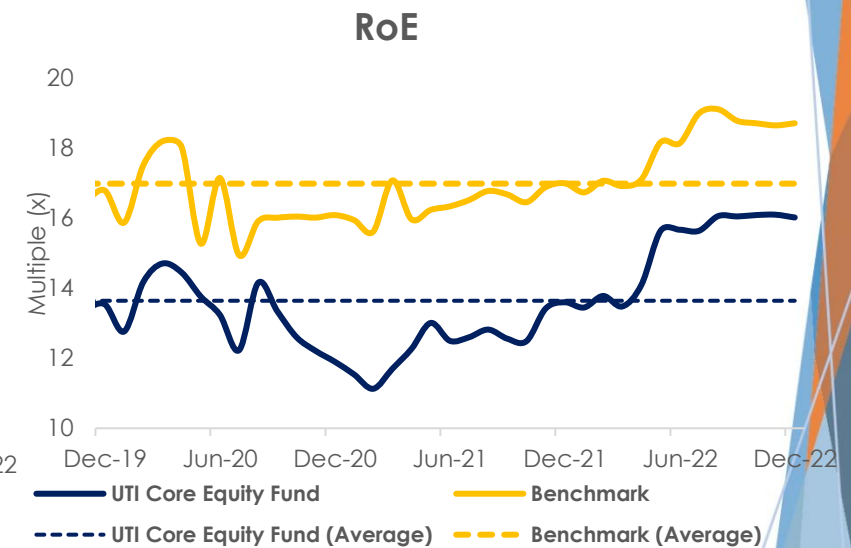
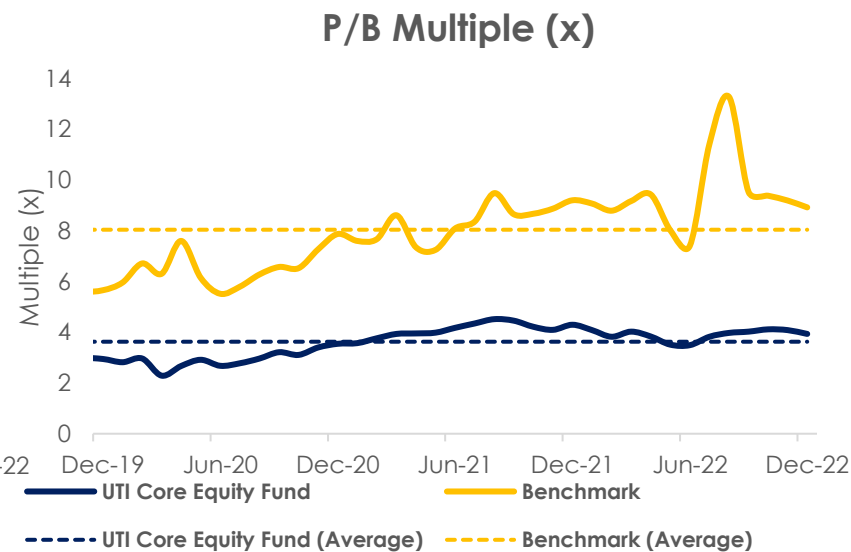
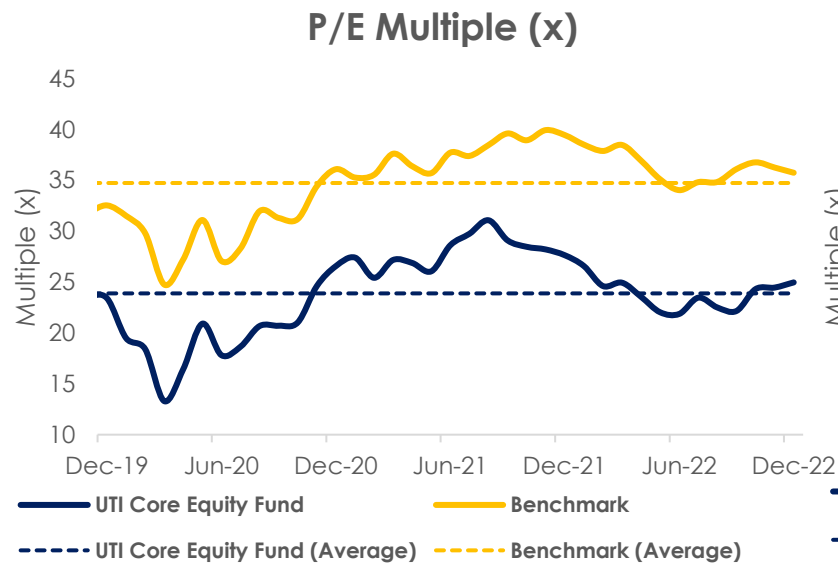
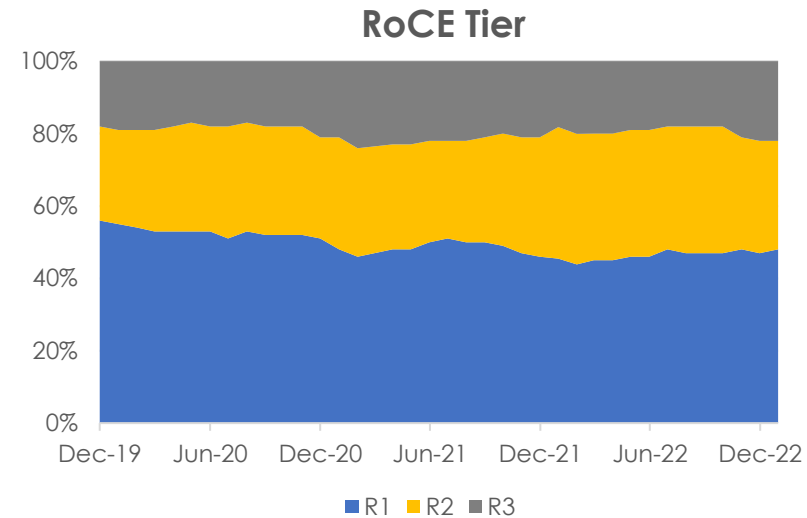
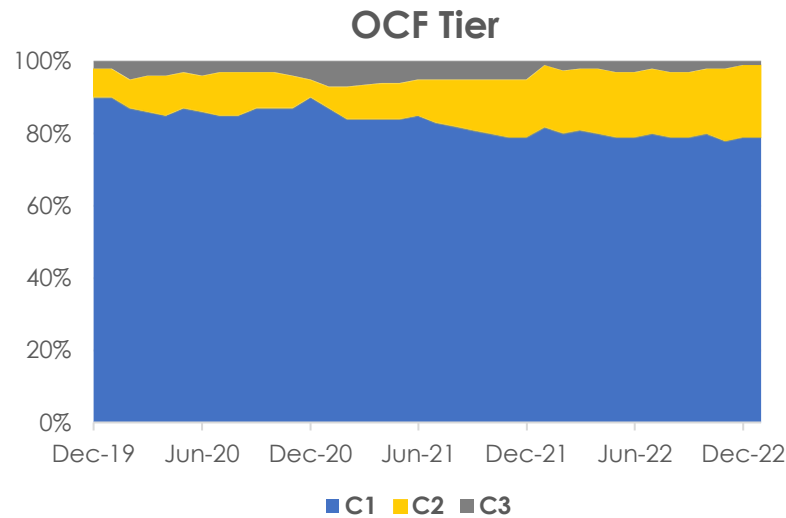
# UTI Flexi Cap Fund: Long-term trend of portfolio composition



# UTI Mastershare Unit Scheme: Long-term trend of portfolio composition



# UTI Core Equity Fund: Long-term trend of portfolio composition

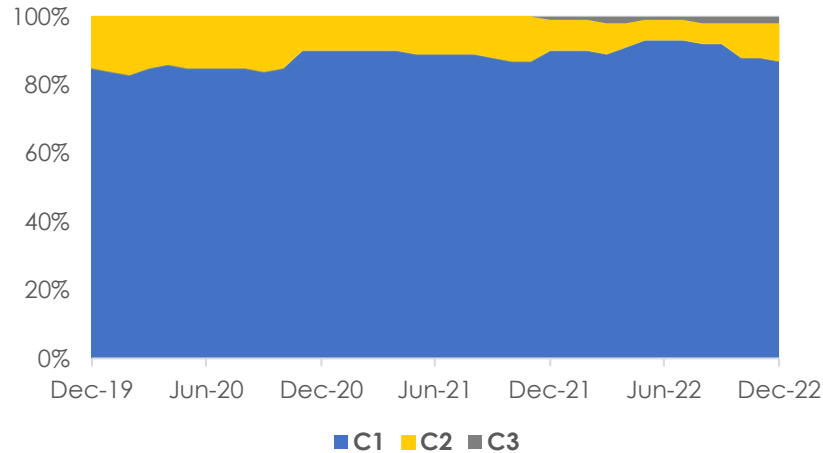


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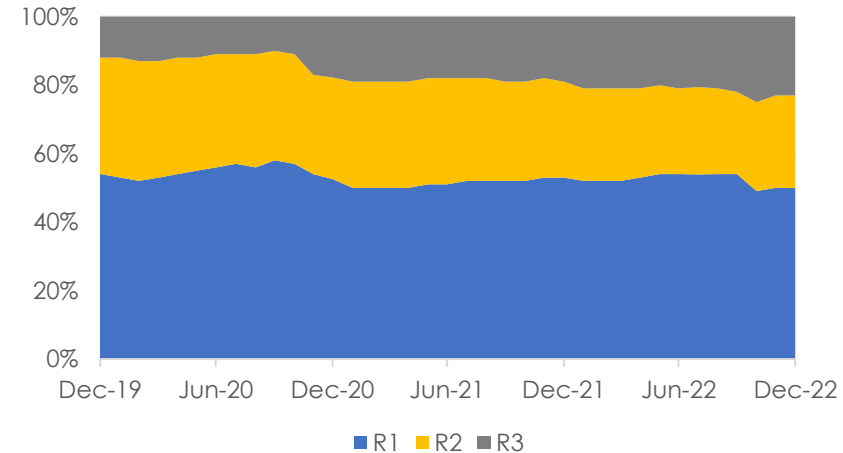


# UTI Value Opportunities Fund: Long-term trend of portfolio composition

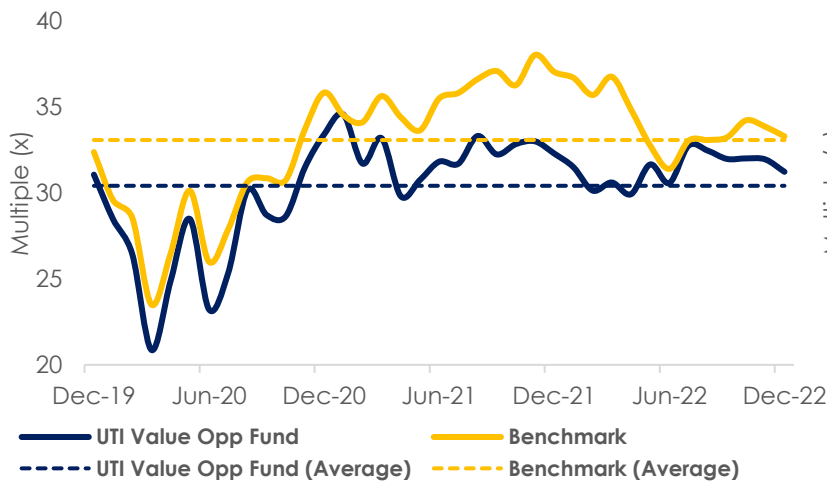
OCF Tier



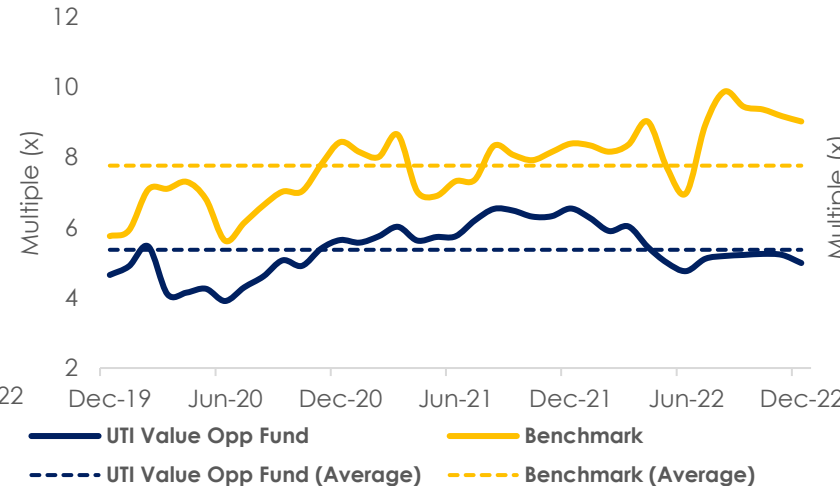
RoCE Tier



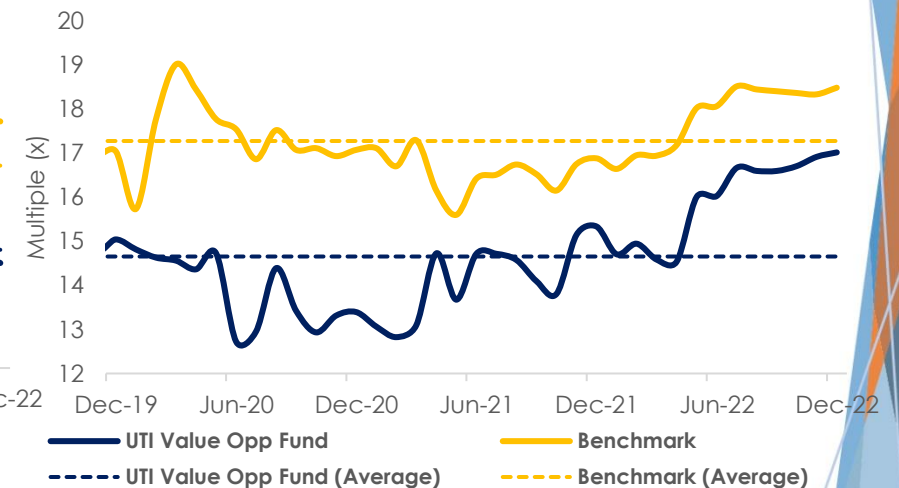
P/E Multiple (x)



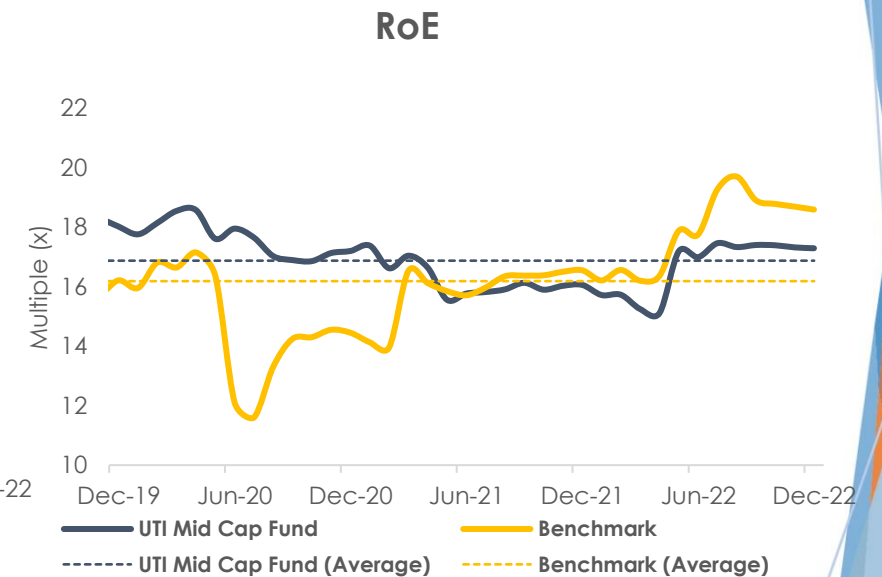
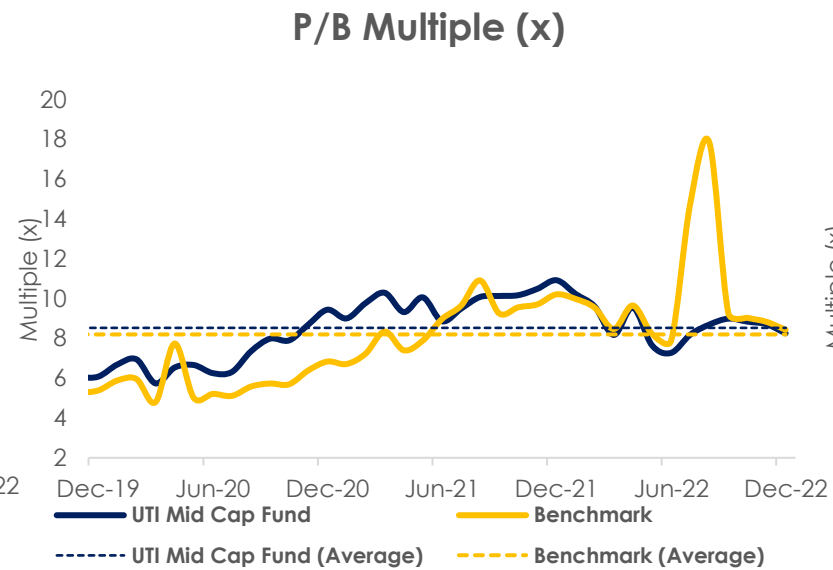
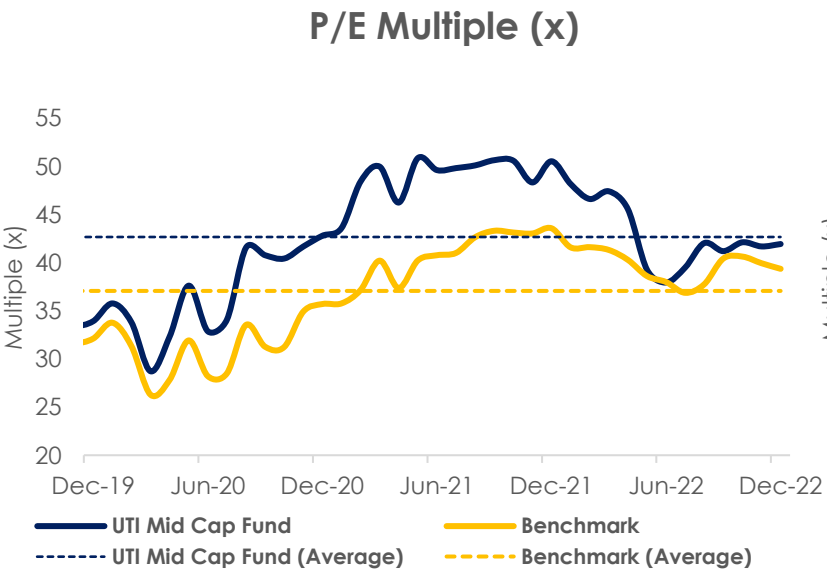
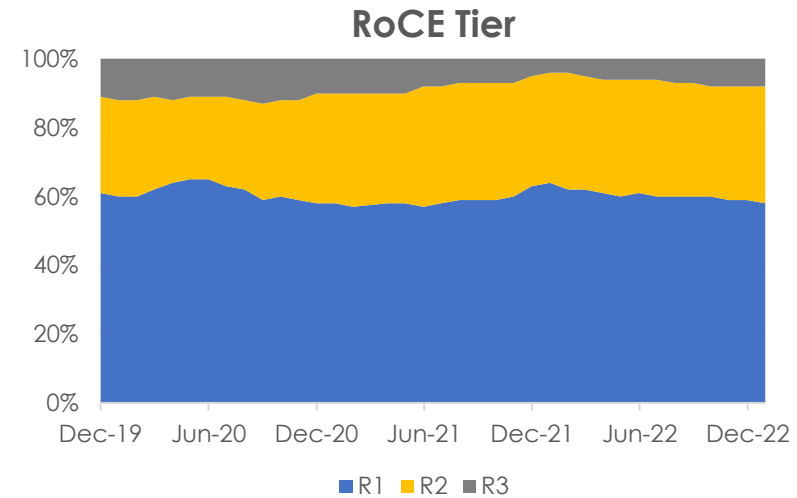
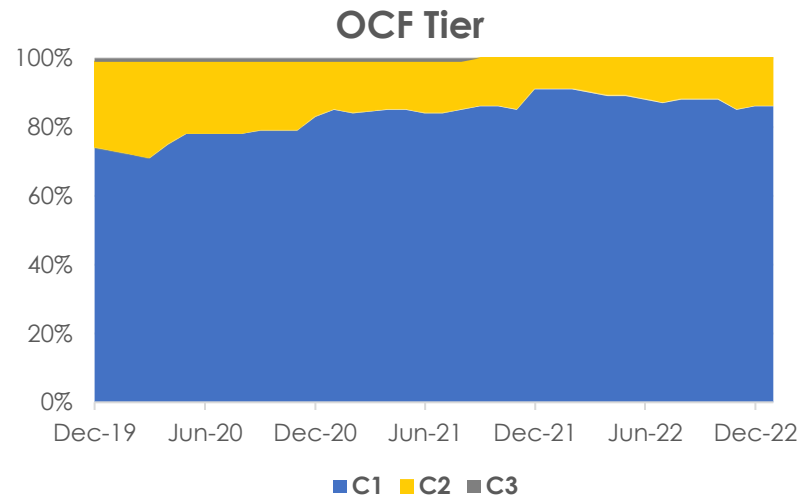
P/B Multiple (x)



RoE



# UTI Mid Cap Fund: Long-term trend of portfolio composition





# Risk Management Framework

## Portfolio – Sector & Stock Limits

Category	Sector level	Stock level			
		Forming part of Benchmark (MAX)	Not forming part of Benchmark (MAX)	Top 10 holdings (MAX)*	Minimum Number of Stocks
<b>Diversified</b>	35% or BM plus 12% (Whichever is lower)	10.00%	5.00%	55%	30
<b>Mid Cap</b>	35% or BM plus 12% (Whichever is lower)	6.00%	3.50%	35%	35
<b>Small Cap</b>	35% or BM plus 12% (Whichever is lower)	5.50%	3.00%	30%	35
<b>Focused</b>	40% or BM plus 20% (Whichever is higher)	10.00%	10.00%	70%	20
<b>Sector/ Thematic</b>	N/A	10% or BM Weight (Whichever is higher)	10.00%	N/A	15 or stocks in BM (Whichever is lower)
<b>SEBI prescribed</b>	N/A	10% In case of Index/ Sector/ Thematic funds: Up to index weight			

\*specified number in the column or weightage of Top 10 in benchmark, whichever is higher

**Company Exposure:** Not more than 7% of company's equity

**Cash Limit:** 10% of the portfolio (not applicable for hybrid/ solution funds investing in equity)

Above limits are not applicable to Arbitrage Fund / Passive Funds / Arbitrage Positions

Note: Above limits are internal prudential norms

# Risk Management – The Process

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- **Stock specific risk**

- Quality of primary research
- OCF & RoCE emphasis

- **Selling discipline**

- Fundamentals deteriorate
- Better alternatives available
- Stock is 'Not Approved'

- **Portfolio risk**

- Single stock/ sector/ concentration/ off benchmark limits
- Consistency in tier allocation
- Consistency in Portfolio positioning vs Benchmark



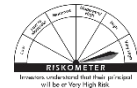








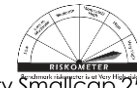

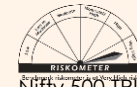


## Risk Management – Review Process

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- **Monthly risk report – from Risk management team**
- **Monthly review meetings with Investment Committee /Managing Director**
- **Quarterly steering committee meeting comprising of Chief Investment Officer, Head of Equity, Senior Fund Manager/s along with Chief Risk Officer, formally oversee**
  - Investment strategy
  - Performance measurement metrics
  - Fund performance attribution
- **Regular reporting and presentation to the Board of UTI Asset Management Company Limited and UTI Trustee Company Private Limited**



# Product Label

Name of the Scheme	This product is suitable for investors who are seeking*	Scheme Riskometer#	Benchmark Riskometer#
<b>UTI Mastershare Unit Scheme</b> (Large Cap Fund - An open ended equity scheme predominantly investing in large cap stocks)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investment predominantly in equity instruments of large cap companies</li> </ul>		 S&P BSE 100 TRI
<b>UTI Core Equity Fund</b> (Large & Mid Cap Fund - An open ended equity scheme investing in both large cap and mid cap stocks)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investment predominantly in equity instruments of both large cap and mid cap companies</li> </ul>		 Nifty LargeMid 250 TRI
<b>UTI Mid Cap Fund</b> (Mid Cap Fund - An open ended equity scheme predominantly investing in mid cap stocks)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investment predominantly in mid cap companies</li> </ul>		 Nifty Midcap 150 TRI
<b>UTI Value Opportunities Fund</b> (Value Fund - An open ended equity scheme following a value investment strategy)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investment in equity instruments following a value investment strategy across the market capitalization spectrum</li> </ul>		 Nifty 500 TRI
<b>UTI Flexi Cap Fund</b> (Flexi Cap Fund - An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investment in equity instruments of companies with good growth prospects across the market capitalization spectrum</li> </ul>		 Nifty 500 TRI
<b>UTI Small Cap Fund</b> (Small Cap Fund - An open ended equity scheme predominantly investing in small cap stocks)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investment predominantly in equity and equity related securities of small cap companies</li> </ul>		 Nifty Smallcap 250 TRI
<b>UTI Focused Equity Fund</b> (Focused Fund - An open ended equity scheme investing in maximum 30 stocks across market caps)	<ul style="list-style-type: none"> <li>Long term capital appreciation</li> <li>Investment in equity and equity related securities across market capitalisation in maximum 30 stocks</li> </ul>		 Nifty 500 TRI
<b>UTI Long Term Equity Fund (Tax Saving)</b> (ELSS - An open ended equity linked saving scheme with a statutory lock in of 3 years and tax benefit)	<ul style="list-style-type: none"> <li>Long term capital growth</li> <li>Investment in equity instruments of companies that are believed to have growth potential</li> </ul>		 Nifty 500 TRI

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

#Risk-o-meter for the fund is based on the portfolio ending December 31, 2022. The Risk-o-meter of the fund/s is/are evaluated on monthly basis and any changes to Risk-o-meter are disclosed vide addendum on monthly basis, to view the latest addendum on Risk-o-meter, please visit addenda section on <https://utimf.com/forms-and-downloads/>

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**REGISTERED OFFICE:** UTI Tower, 'Gn' Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Phone: 022 6678 6666. UTI Asset Management Company Ltd (Investment Manager for UTI Mutual Fund) Email: [invest@uti.co.in](mailto:invest@uti.co.in). (CIN-L65991MH2002PLC137867). For more information, please contact the nearest UTI Financial Centre or your AMFI/ NISM certified Mutual Fund Distributor (MFD) for a copy of the Statement of Additional Information, Scheme Information Document and Key Information Memorandum cum Application Form.




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



*Haq, ek behtar zindagi ka.*

## Operating Cash Flow (OCF) is the fuel for growth








- Profits could be distorted by accrual, amortization, non cash items & does not account for changes in working capital
- In the absence of OCF – a business has to reduce its growth plans or rely on fund raising - Equity / Debt

Today	Receivables Terms		10 Years Later	
 <p><b>Capital Structure:</b> Equity ₹ 1,000 Net Borrowing ₹ 1,000</p> <p><b>Year 1 Revenue: ₹ 3,000</b></p> <p><b>Profit Margin: 15%</b></p>	 <p><b>Company A</b></p>	<p>Receivables of <b>30 Days</b></p>	Cumulative EBITDA ₹ 9,137	Equity ₹ 4,040
			Cumulative OCF ₹ 6,967	Net Borrowing ₹ 1,806
	 <p><b>Company B</b></p>	<p>Receivables of <b>120 Days</b></p>	Cumulative EBITDA ₹ 9,137	Equity ₹ 2,953
			Cumulative OCF ₹ 4,830	Net Borrowing ₹ 5,495

**OCF is a Hygiene factor**

## Growth creates wealth, only if Return on Capital (RoCE) is healthy

- A business that has a healthy OCF has the ability to reinvest in its business
- When  $\text{RoCE} > \text{Cost of Capital}$ , the business creates wealth by reinvesting
- If a business cannot earn returns in excess of its cost of capital, it destroys value

Today	RoCE Ratio		10 Years Later	
 <p><b>Capital Structure:</b> Equity ₹ 1,000 Net Borrowing ₹ 1,000</p> <p><b>Year 1 Revenue: ₹ 3,000</b></p>	 <b>Company A</b>	 <b>RoCE of 15%</b> 	Equity ₹ 5,151	Equity Growth (CAGR) 17.8%
			Net Borrowing ₹ 2,429	
	 <b>Company B</b>	 <b>RoCE of 8%</b> 	Equity ₹ 1,777	Equity Growth (CAGR) 5.9%
			Net Borrowing ₹ 5,803	

**OCF is Hygiene, RoCE creates Wealth**

# Reference Slide

## Assumptions: Illustration on OCF & RoCE analysis (slide 29 & 30)

### Common Assumptions

Gross Block	-	₹ 2,000
Gross Assets Turnover	-	1.5
Interest Cost	-	10%
Investment Income	-	8%
Tax Rate	-	30%
Revenue Growth	-	15%

### Specific to OCF

EBITDA Margin	-	15%
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### Specific to RoCE

Working Capital Days	-	90 days
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## Rating Process (slide 12)

Sectors		C1	C2	C3
All companies (excluding Financials)	Positive OCF	In all previous 5 years	in 3 or 4 of the previous 5 years	In 2 or less of the previous 5 years
		R1	R2	R3
	RoCE	> 18% (5 year average)	10% - 18% (5 year average)	<=10% (5 year average)
		R1	R2	R3
Banks & HFCs	RoA	> 1.2% (5 year average)	0.8% - 1.2% (5 year average)	<=0.8% (5 year average)
NBFCs (excluding HFCs)	RoA	> 2.4% (5 year average)	1.8% - 2.4% (5 year average)	<=1.8% (5 year average)
Non-lending Financials	RoE	> 15% (5 year average)	> 10% - 15% (5 year average)	<=10% (5 year average)

**Period of Analysis – 24 years**  
(FY 1997 to 2020)

Universe of companies analyzed  
- **1280 companies** (includes MF industry holdings, S&P BSE 500 Index companies since 2002)

**OCF** – Operating Cash Flows

**RoCE** – Return on Capital Employed  
(EBIT/Avg. capital employed)

**RoA** – Return on Asset

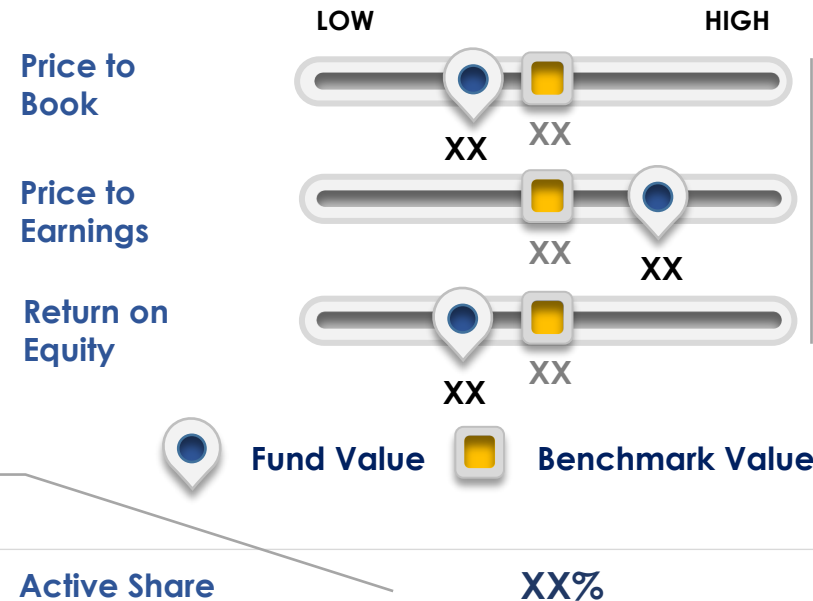
**RoE** – Return on Equity

# Portfolio Construction – Monitoring Consistency & Style Discipline

All strategies have a bias towards C1 rated companies but allocation to C2/C3 companies could increase in value oriented strategies

Portfolio Composition#	OCF		ROCE	
	C1	XX%	R1	XX%
	C2	XX%	R2	XX%
	C3	XX%	R3	XX%

A portfolio with significant R1 share implies a growth preference and a portfolio with significant R2 / R3 companies is tilting towards value



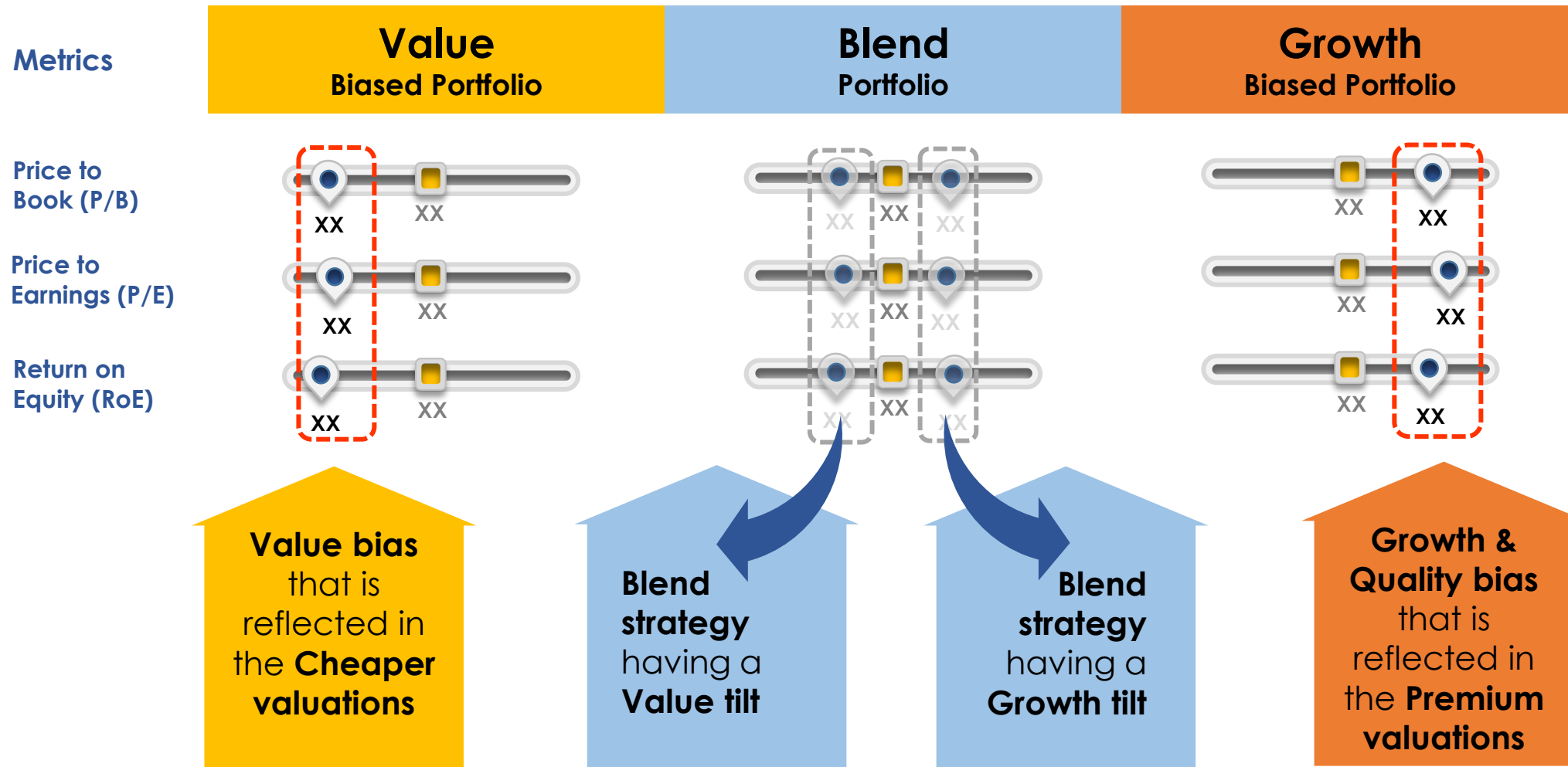
Percentage of portfolio that is distinct from the Benchmark; higher active share implies greater portfolio uniqueness and potential for higher alpha generation

Metrics Vis., P/B, P/E, RoE, lower to the Benchmark implies portfolio has a value bias and emphasizes attractive valuations; likewise metrics that are higher to the Benchmark implies portfolio has a growth & quality bias that is reflected in the premium valuations

**Style discipline measured through continuous monitoring of values vis-à-vis Benchmark**



# Portfolio Construction – Style Check



 Fund Value  Benchmark Value

# Agnostic to market cap strategies

1

**UTI Flexi Cap Fund**  
Flexi Cap Fund

2

**UTI Value Opportunities Fund**  
Value Fund

3

**UTI Core Equity Fund**  
Large & Mid Cap Fund

**Fund Manager/s**

Ajay Tyagi

Amit Premchandani

V Srivatsa

**Benchmark**

Nifty 500 TRI

Nifty 500 TRI

Nifty LargeMid Cap 250 TRI

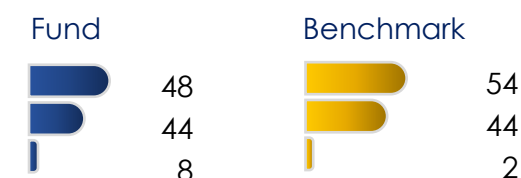
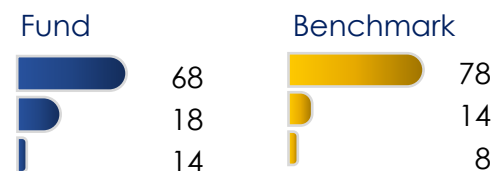
## Key Highlights

- A Flexi cap portfolio that endeavours to pick high quality businesses in secular growth industries
- The Fund focuses on companies which can generate high cash flows with stability in revenues and earnings growth
- Follows a pure bottom-up approach in stock selection
- Avoids cyclical which have sustainability challenges

- The Fund following value investment strategy
- Follows “Barbell approach” for its stock picking which is buying what the market underestimates
- Blend of Top-down & Bottom-up approach
- The fund has the flexibility to operate across the market cap spectrum following the “Value” style of investment

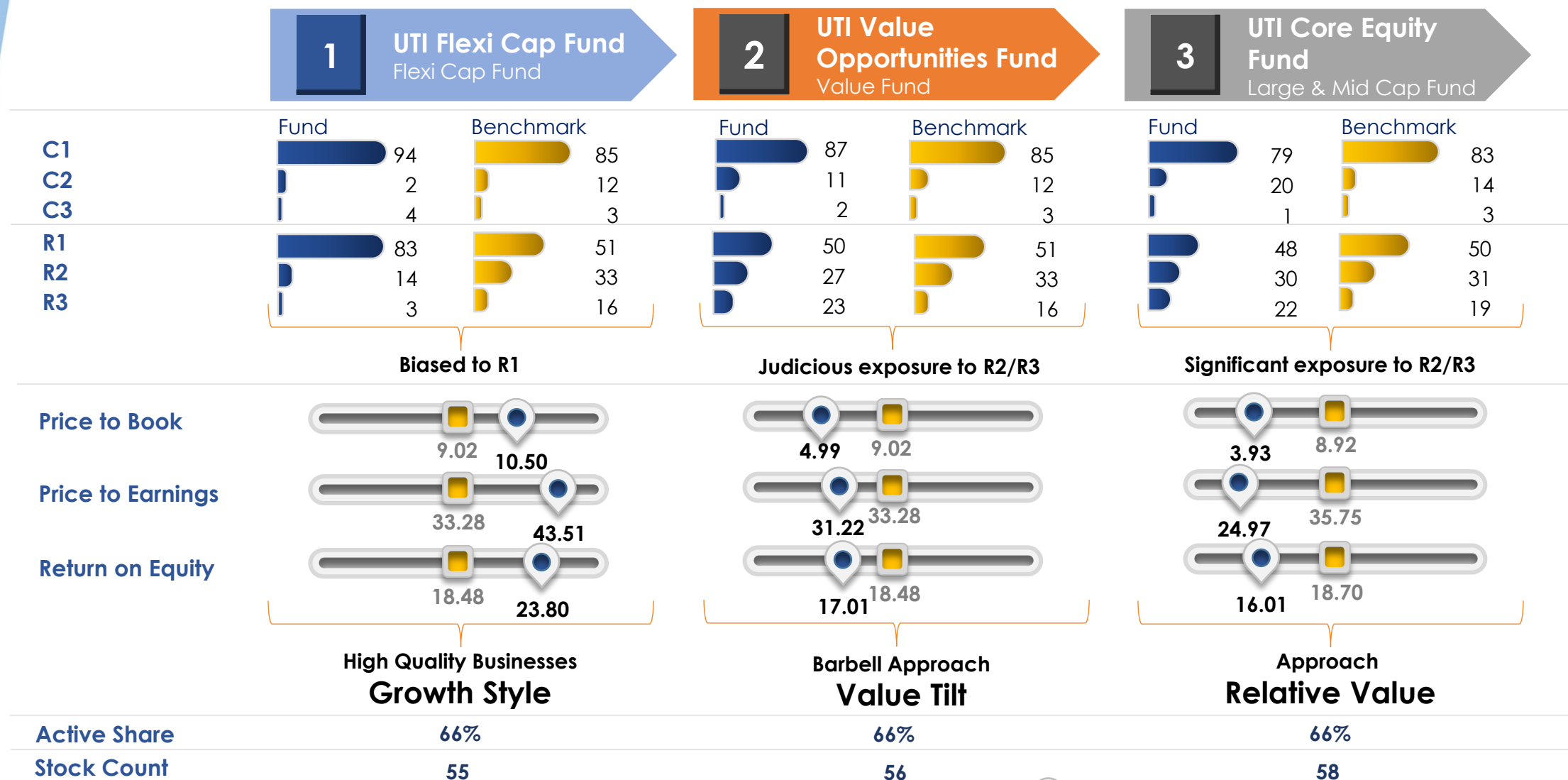
- Predominantly invests in large caps & mid cap stocks
- Preferred metric relative valuation versus history or peer in picking quality companies aims for margin of safety
- Focus on growth opportunities at reasonable valuations for picking mid & small-caps
- Exposure to leaders, when the cycle is adverse in order to benefit from mean reversion

**Large Cap**  
**Mid Cap**  
**Small Cap**



Haq, ek behtar zindagi ka.

# Agnostic to market cap strategies (contd.)



Operating Cash Flow Tiers (C)- 3 Tiers based on the number of years in which they have generated positive operating cash flows in the previous 5 years (for manufacturing companies).  
 RoCE/ Implied RoE Tiers (R) - 3 Tiers based on the previous 5 year average return on capital (for manufacturing companies & non-lending non banking finance companies (NBFCs)) & based on the previous 5 year average return on asset for banks & NBFCs (including housing finance companies).  
 Portfolio Characteristics are calculated based on full market cap using weighted average methodology at aggregation.  
 All data as of December 31, 2022

Fund Benchmark



Haq, ek behtar zindagi ka.

# Market cap based strategies

1

**UTI Mastershare  
Unit Scheme**  
Large Cap Fund

2

**UTI Mid Cap Fund**  
Mid Cap Fund

3

**UTI Small Cap Fund**  
Small Cap Fund

**Fund Manager/s**

Karthikraj Lakshmanan

Ankit Agarwal

Ankit Agarwal

**Benchmark**

S&P BSE 100 TRI

Nifty Midcap 150 TRI

Nifty Smallcap 150 TRI

**Key Highlights**

- A large cap dominant portfolio
- Focuses on businesses with competitive franchise
- Follows growth at reasonable price (GARP)
- Adheres to top-down approach for sector selection and bottom-up approach for stock picking within a sector
- Performance track record of over 35 years across the market cycles

- Focuses on scalable business models and long growth runway
- While having pure bottom-up approach, invests with a blend of both value and growth style with a growth bias
- The Fund follows a patient long-term approach towards the companies in its portfolio
- The Fund maintains a diversified portfolio and is subject to top-down risk management & prudential norms

- Aims to exploit ample growth opportunities of small caps and select mid-caps
- A well-diversified portfolio of scalable businesses with long growth runway
- 360° risk assessment framework to identify good stocks and avoid poor stock
- Pursue bottom-up stock selection approach to pick businesses with healthy financials and potential for sustenance of margins

**Large Cap**  
**Mid Cap**  
**Small Cap**

Fund

Benchmark



89  
9  
2

96  
4  
0

Fund

Benchmark



13  
68  
19

9  
86  
5

Fund

Benchmark



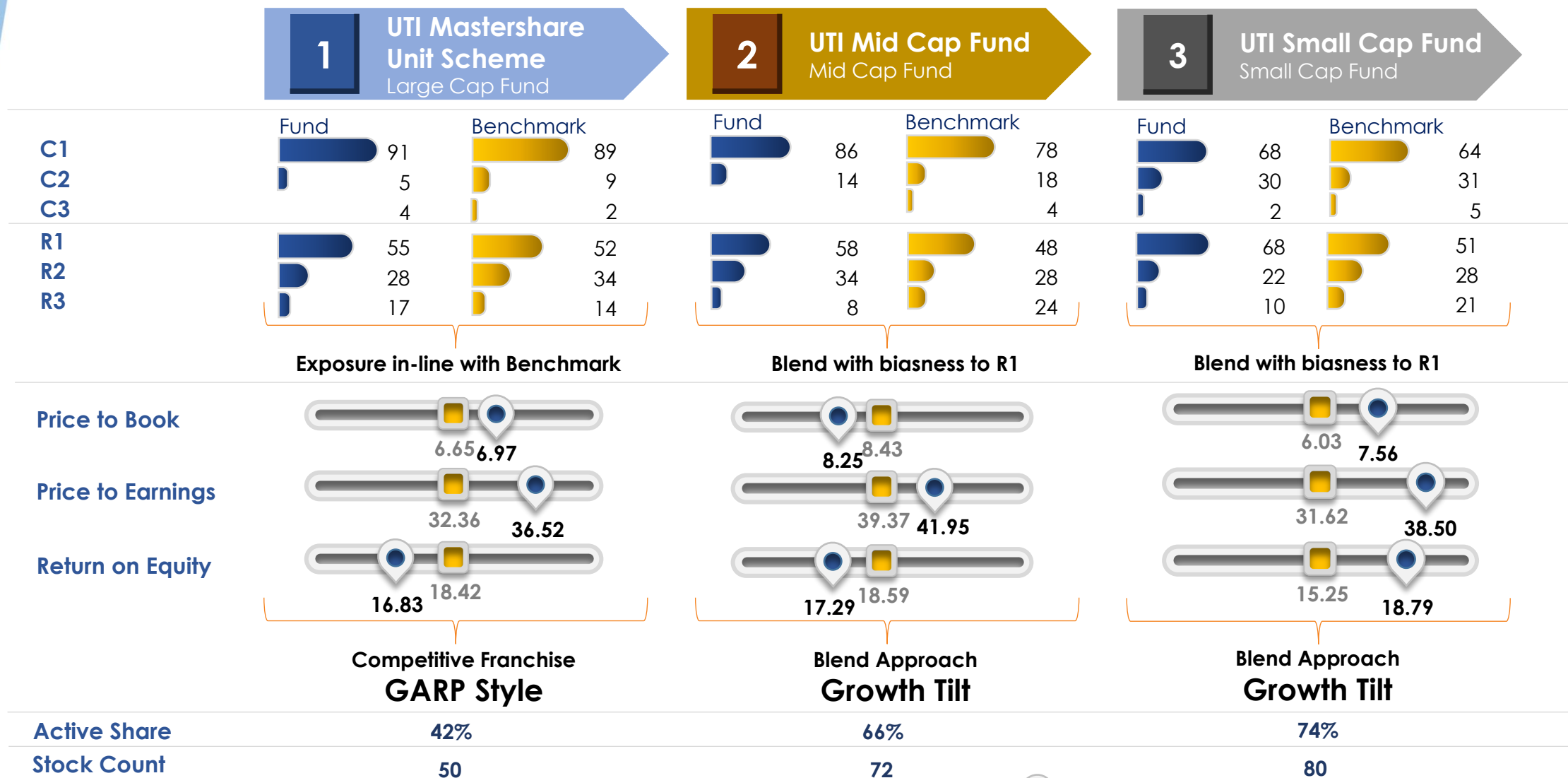
0  
23  
77

0  
5  
95



Haq, ek behtar zindagi ka.

# Market cap based strategies (contd.)



 Fund
  Benchmark

Operating Cash Flow Tiers (C)- 3 Tiers based on the number of years in which they have generated positive operating cash flows in the previous 5 years (for manufacturing companies).  
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Haq, ek behtar zindagi ka.

## Other strategies

1

### UTI Focused Equity Fund Focused Fund

2

### UTI LTEF (Tax Saving) ELSS

**Fund Manager/s**

Vishal Chopda

Vishal Chopda

**Benchmark**

Nifty 500 TRI

Nifty 500 TRI

#### Key Highlights

- Exposure to hand-picked high-conviction ideas
- Maximum of 30 stocks across sectors and market capitalization enables optimal portfolio diversification
- Uniquely positioned with distinct portfolio relative to broader market indices with potential for alpha creation

- The Fund is agnostic to market capitalisation and follows a strategy which is blend of growth & value style
- The Fund intends to keep large cap in 55-65% range and mid small cap in 35-45% range
- The Fund looks to generate alpha by stock selection across large, mid and small caps with less reliance on sector positioning
- Investments eligible for tax benefits under Section 80C of the Income Tax Act, 1961

Large Cap  
Mid Cap  
Small Cap

Fund



79  
19  
2

Benchmark



78  
14  
8

Fund



67  
20  
13

Benchmark



78  
14  
8

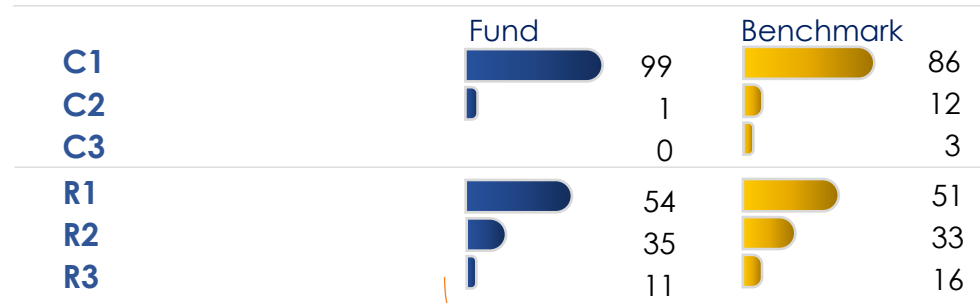
# Other strategies (contd.)

1

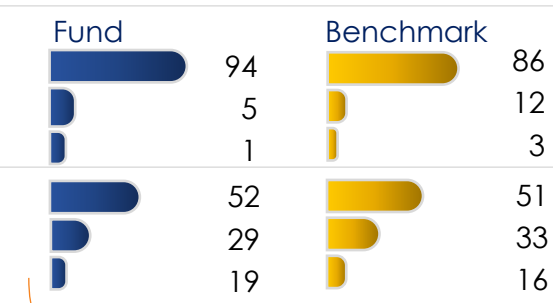
## UTI Focused Equity Fund Focused Fund

2

## UTI LTEF (Tax Saving) ELSS



Blend with biasness to R1

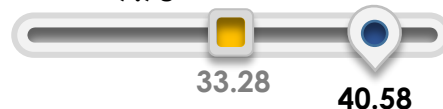


Exposure in-line with Benchmark

Price to Book



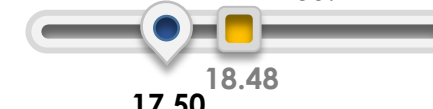
Price to Earnings



Return on Equity



Approach  
Blend



Approach  
Blend

Active Share

74%

Stock Count

30

66%

55



Fund



Benchmark

Operating Cash Flow Tiers (C)- 3 Tiers based on the number of years in which they have generated positive operating cash flows in the previous 5 years (for manufacturing companies).  
RoCE/ Implied RoE Tiers (R) - 3 Tiers based on the previous 5 year average return on capital (for manufacturing companies & non-lending non banking finance companies (NBFCs)) & based on the previous 5 year average return on asset for banks & NBFCs (including housing finance companies).  
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