



# UTI Investment Process & Strategy

July 2022

# About Our Equity Investment Team



**Vetri Subramaniam**  
Chief Investment Officer



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



**Swati Kulkarni, CFA**  
Fund Manager



**Vishal Chopda, CFA**  
Fund Manager



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



**Suraj Purohit**  
ESG Analyst



**V Srivatsa**  
Fund Manager



**Sharwan Goyal, CFA**  
Fund Manager



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



**Akash Shah**  
Investment Associate



**Ankit Agarwal**  
Fund Manager



**Kamal Gada**  
Fund Manager &  
Research Analyst  
Pharma, Chemical Group



**Deepesh Agarwal**  
Fund Manager -Overseas  
Investment & Research  
Construction, Engineering,  
Power Utilities



**Ayush Jain**  
Investment Associate



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



**Preethi R S**  
Fund Manager &  
Research Analyst  
Banks and Financial  
Services



**Nitinn Aggarwal**  
Research Analyst  
Auto OEMs and Auto  
Ancillaries



**Lokesh Kulthia**  
Investment Associate



**Amit Premchandani**  
Fund Manager &  
Research Analyst



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



**Pradnya S. Ganar**  
Research Analyst  
Cement, Sugar, Hotels,  
Diagnostics and Hospitals



**Mahesh Vyas**  
Investment Associate

Data as of June 30, 2022. Collective MF work experience of the team is **over 220 Years**. Average work experience of fund managers is **over 16 Years**. Average work experience of research analysts is about **6 Years** (based on total work experience in Mutual Fund Industry). Collective overall experience of the team is **over 325 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



*Haq, ek behtar zindagi ka.*

# Environment, Social & Governance (ESG)

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Signatory of:



Adoption of **Stewardship Code & Voting Policy**



**Dedicated ESG Analyst** to build the framework across all the stocks and sectors in our coverage universe

# Assets Managed by the Equity Investment Team



## UTI AMC Ltd. Group

₹ 13,81,555 Crores  
\$ 1,75,009 Million



## Equity Team

₹ 1,69,882 Crores  
\$ 21,520 Million



## UTI PMS & International (Equity)

₹ 12,288 Crores  
\$ 1,557 Million



## UTI MF (Equity)

₹ 1,31,892 Crores  
\$ 16,707 Million



## UTI MF (Hybrid)\*

₹ 25,702 Crores  
\$ 3,256 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**



PRESENTING



# Score<sup>TM</sup>

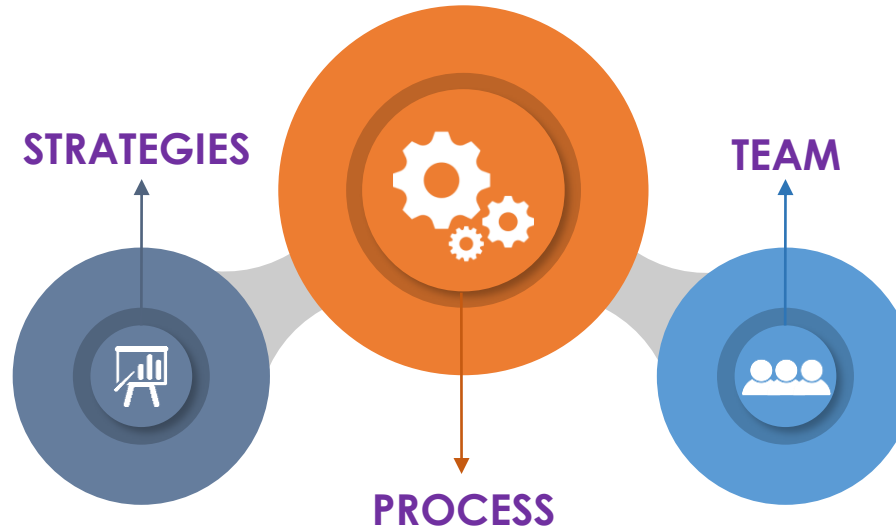
A Rigorous and Pragmatic Approach to Equity Investing





# 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

# 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	

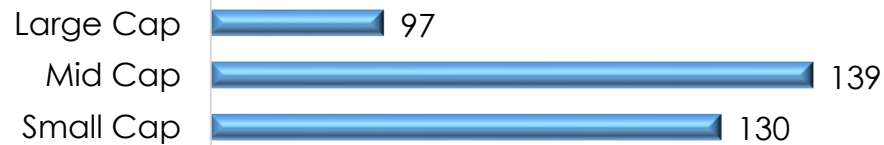
**OCF is Hygiene, RoCE creates Wealth**

# Research Methodology – Rating System

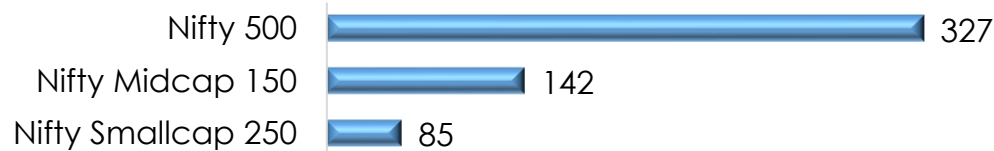
## INVESTMENT UNIVERSE



### Coverage based on Market cap



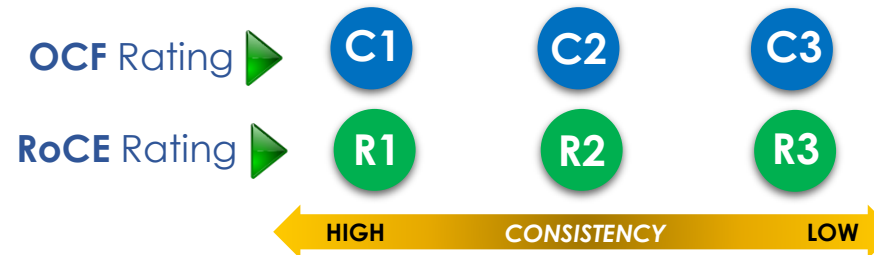
### Coverage based on Indices



## 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 – 58 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).

Portfolio Characteristics are calculated based on full market cap using weighted average methodology at aggregation.

All data as of June 30, 2022



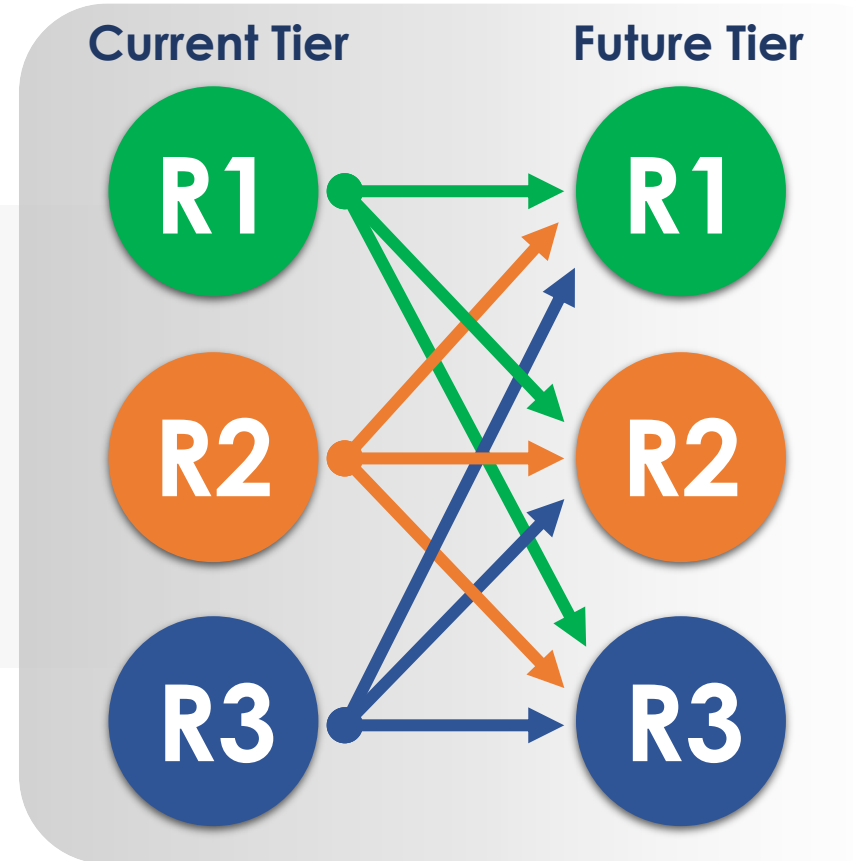
Haq, ek behtar zindagi ka.

## 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 FY16 to FY21 & Price Returns

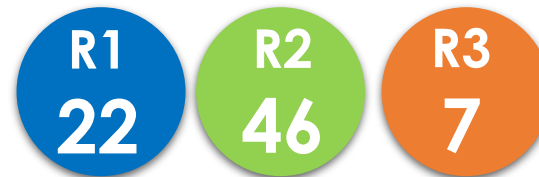
### Probability of Migration v/s Returns

#### UTI INVESTMENT UNIVERSE

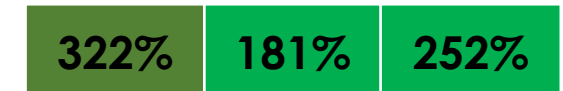
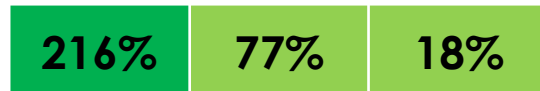
**FY16**  
No. of  
Companies



**FY21**  
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.

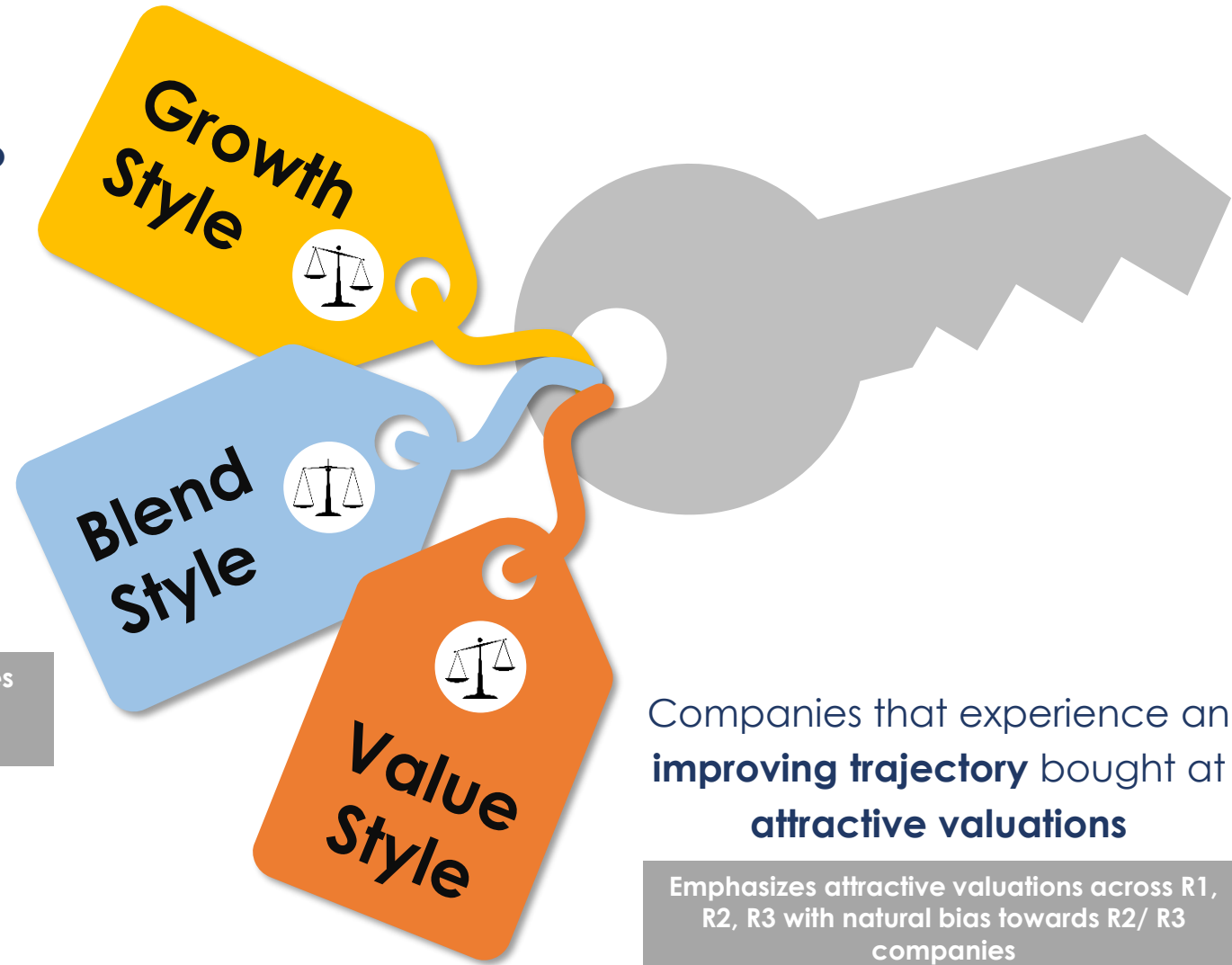
# Portfolio Construction : Diversity & Discipline

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

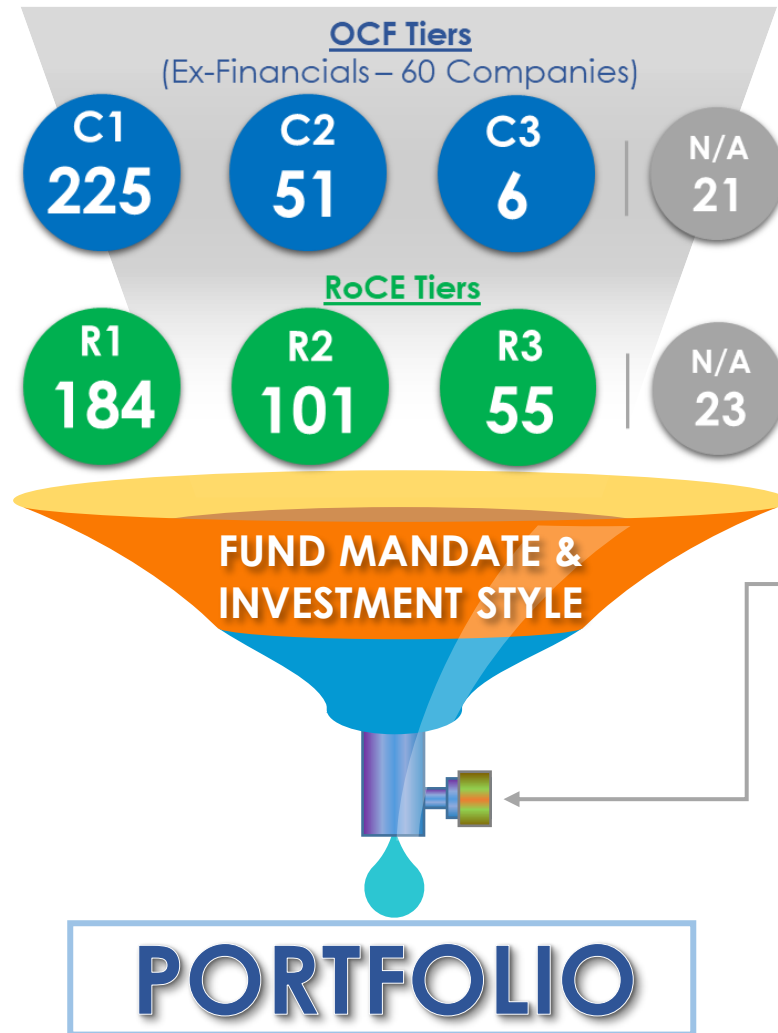
Built around a core of R1, C1 companies but also includes allocation to R2/ R3 companies



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

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

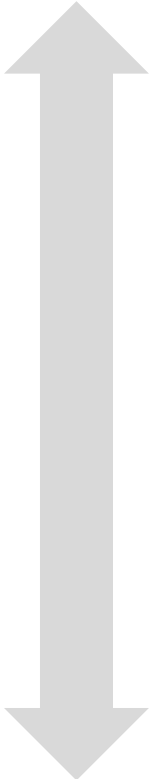
# Portfolio Construction



## 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>85%</b> C1 <b>95%</b>	<b>66%</b>	Growth/ High Quality	<b>GROWTH</b> 
<b>UTI SMALL CAP FUND</b> Small-cap Fund	R1 <b>70%</b> C1 <b>75%</b>	<b>73%</b>	Blend – Growth Tilt	
<b>UTI MID CAP FUND</b> Mid-cap Fund	R1 <b>60%</b> C1 <b>87%</b>	<b>66%</b>	Blend – Growth Tilt	
<b>UTI FOCUSED EQUITY FUND</b> Focused Fund	R1 <b>58%</b> C1 <b>94%</b>	<b>75%</b>	Blend – Growth Tilt	
<b>UTI MASTERSHARE UNIT SCHEME</b> Large-cap Fund	R1 <b>57%</b> C1 <b>92%</b>	<b>38%</b>	GARP	
<b>UTI LTFE (TAX SAVING)</b> ELSS	R1 <b>56%</b> C1 <b>96%</b>	<b>65%</b>	Blend Approach	
<b>UTI VALUE OPPORTUNITIES FUND</b> Value Fund	R1 <b>54%</b> C1 <b>93%</b>	<b>65%</b>	Barbell Approach	
<b>UTI CORE EQUITY FUND</b> Large & Mid-cap Fund	R1 <b>48%</b> C1 <b>80%</b>	<b>69%</b>	Relative Value	<b>VALUE</b>

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All data as of June 30, 2022



Haq, ek behtar zindagi ka.

# 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

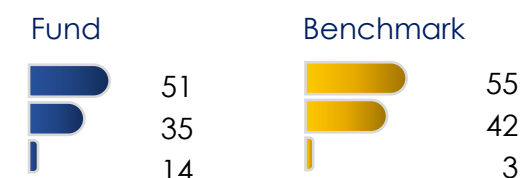
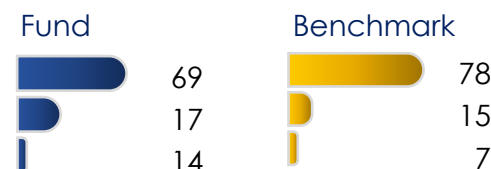
## Key Highlights

- 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

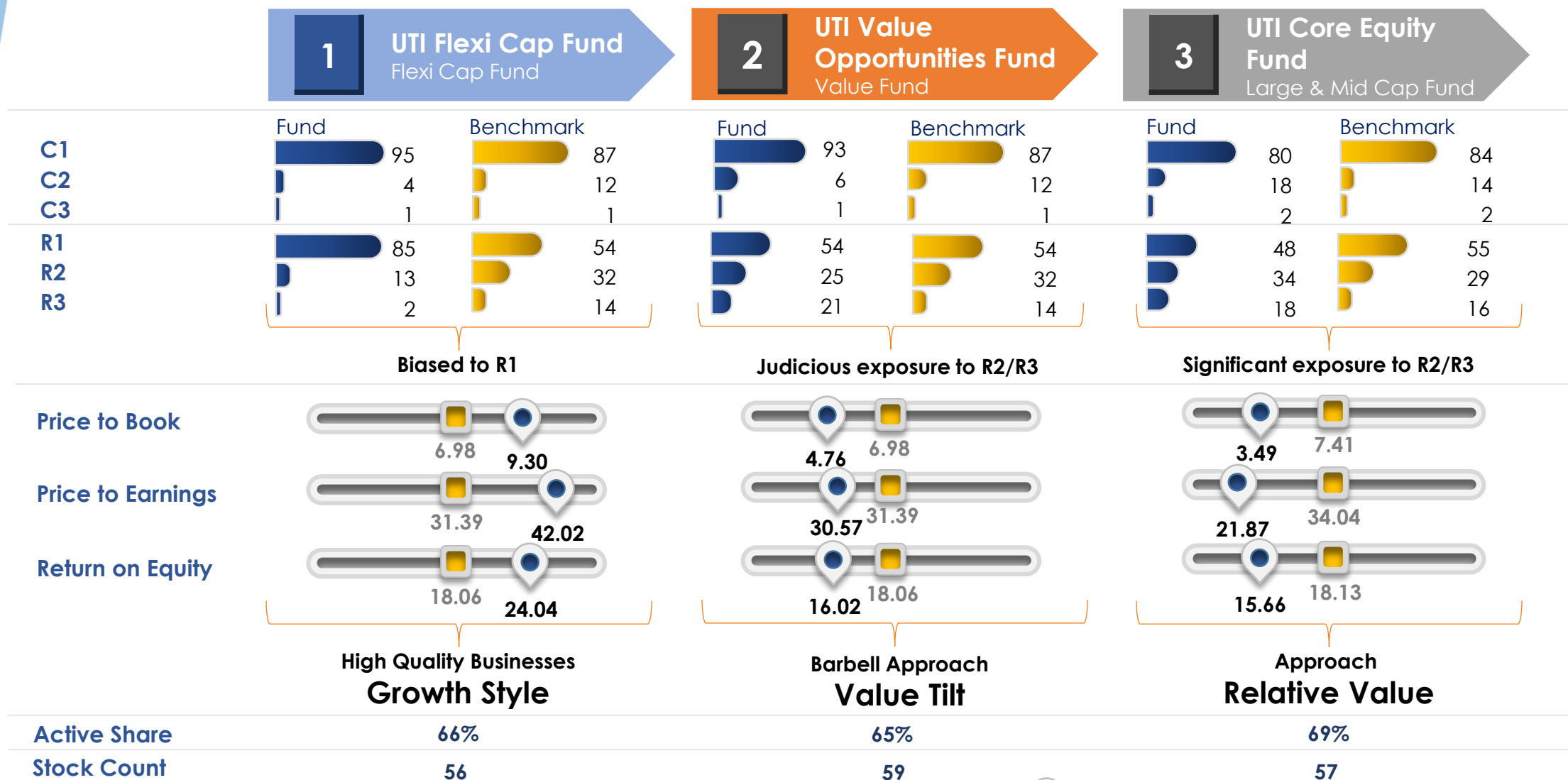
**Large Cap**  
**Mid Cap**  
**Small Cap**



Haq, ek behtar zindagi ka.



# Agnostic to market cap strategies (contd.)





















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Fund Benchmark

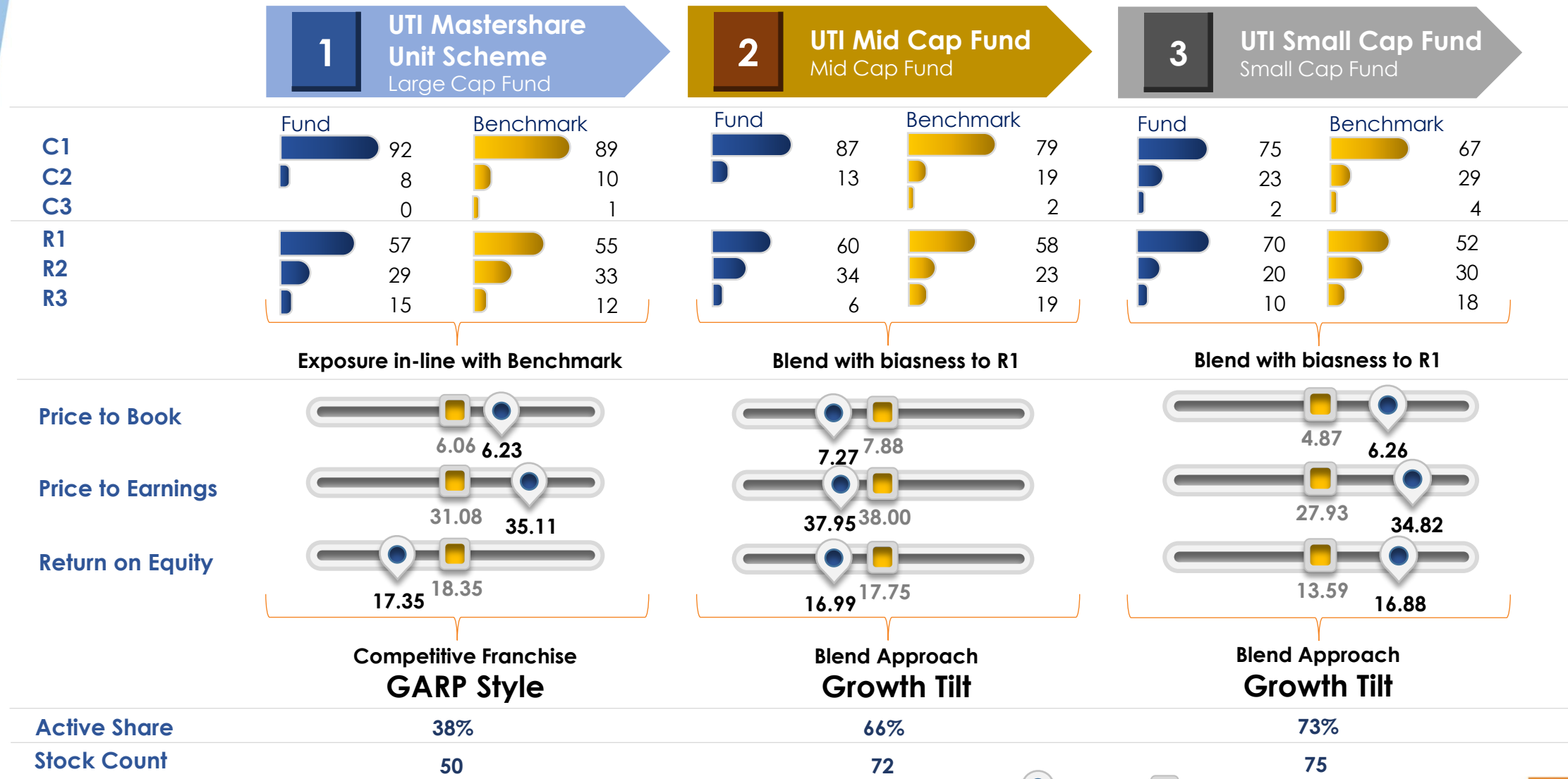


Haq, ek behtar zindagi ka.

# Market cap based strategies

	1	2	3			
	UTI Mastershare Unit Scheme Large Cap Fund	UTI Mid Cap Fund Mid Cap Fund	UTI Small Cap Fund Small Cap Fund			
Fund Manager/s	Swati Kulkarni	Ankit Agarwal	Ankit Agarwal			
Benchmark	S&P BSE 100 TRI	Nifty Midcap 150 TRI	Nifty Smallcap 150 TRI			
Key Highlights	<ul style="list-style-type: none"><li>A large cap dominant portfolio</li><li>Focuses on businesses with competitive franchise</li><li>Follows growth at reasonable price (GARP)</li><li>Adheres to top-down approach for sector selection and bottom-up approach for stock picking within a sector</li><li>Performance track record of over 35 years across the market cycles</li></ul>	<ul style="list-style-type: none"><li>Focuses on scalable business models and long growth runway</li><li>While having pure bottom-up approach, invests with a blend of both value and growth style with a growth bias</li><li>The Fund follows a patient long-term approach towards the companies in its portfolio</li><li>The Fund maintains a diversified portfolio and is subject to top-down risk management &amp; prudential norms</li></ul>	<ul style="list-style-type: none"><li>Aims to exploit ample growth opportunities of small caps and select mid-caps</li><li>A well-diversified portfolio of scalable businesses with long growth runway</li><li>360° risk assessment framework to identify good stocks and avoid poor stock</li><li>Pursue bottom-up stock selection approach to pick businesses with healthy financials and potential for sustenance of margins</li></ul>			
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Large Cap	 87	 95	 13	 13	 0	 0
Mid Cap	 10	 5	 69	 82	 17	 4
Small Cap	 3	 0	 18	 5	 83	 96

# Market cap based strategies (contd.)



 Fund
  Benchmark

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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



65  
32  
3

Benchmark



78  
15  
7

Fund



63  
20  
17

Benchmark



78  
15  
7

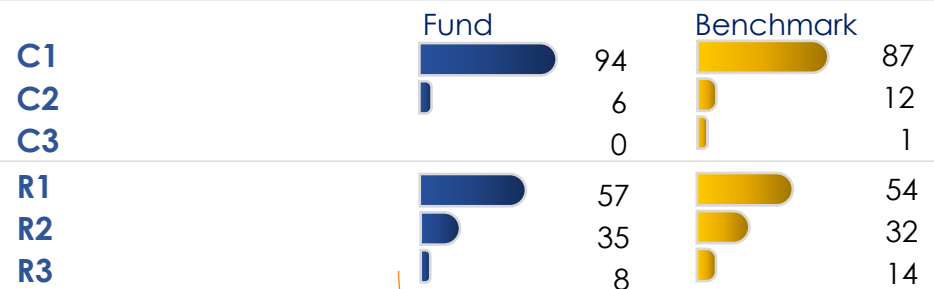
## Other strategies (contd.)

1

### UTI Focused Equity Fund Focused Fund

2

### UTI LTEF (Tax Saving) ELSS



Blend with biasness to R1

Price to Book



Price to Earnings



Return on Equity



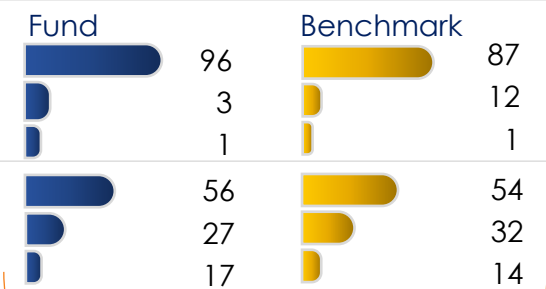
Blend Approach  
Growth Tilt

Active Share

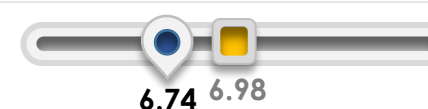
75%

Stock Count

30



Exposure in-line with Benchmark



Approach  
Blend

65%

59



Fund



Benchmark

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# 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>Thematic</b>	40% or BM plus 20%, (Whichever is higher)	10.00%	10.00%	60%	25
<b>Focused</b>	40% or BM plus 20%, (Whichever is higher)	10.00%	10.00%	70%	20
<b>Sector</b>	N/A	10% or BM Weight (Whichever is higher)	9.50%	N/A	15 or stocks in BM (Whichever is lower)
<b>SEBI prescribed</b>	N/A	10% In case of Index/ Sector 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

BM - Benchmark



Haq, ek behtar zindagi ka.

# 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**



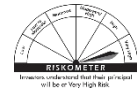








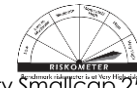

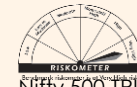


- Single stock/ sector/ concentration/ off benchmark limits
- Consistency in tier allocation
- Consistency in Portfolio positioning vs Benchmark

## Risk Management – Review

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- **Monthly risk report – from Risk management team**
- **Steering Committees, comprising of Head of Equity, Senior Fund Manager/s along with representative of strategic partner/s, formally oversee**
  - Investment (Funds & Research) strategy
  - HR policy & related issues in the team
  - Performance measurement metrics
  - Fund performance attribution
- **Periodic Review Meetings with Investment Committee /Managing Director**
- **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 June 30, 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/>

# Reference Slide

## Assumptions: Illustration on OCF & RoCE analysis (slide 12 & 13)

### 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

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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.*

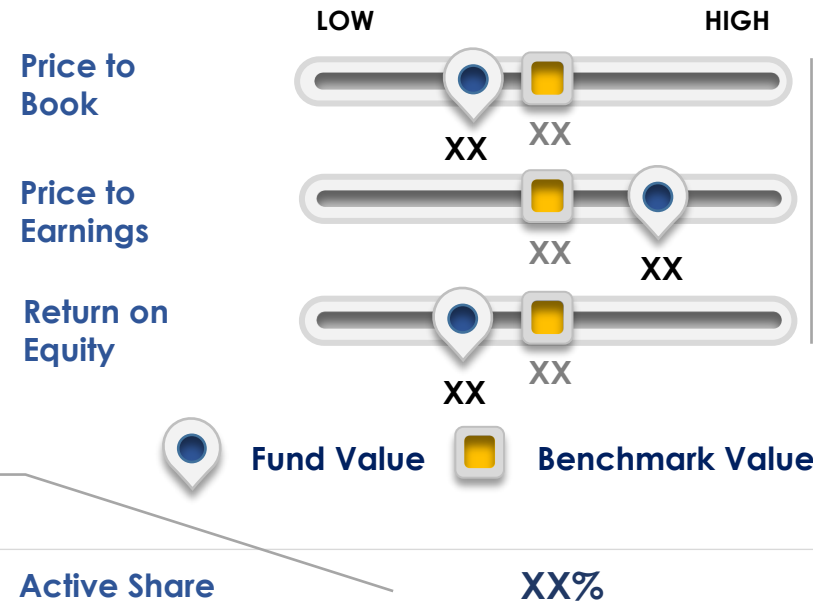


# Portfolio Construction – Monitoring Consistency & Style Discipline

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

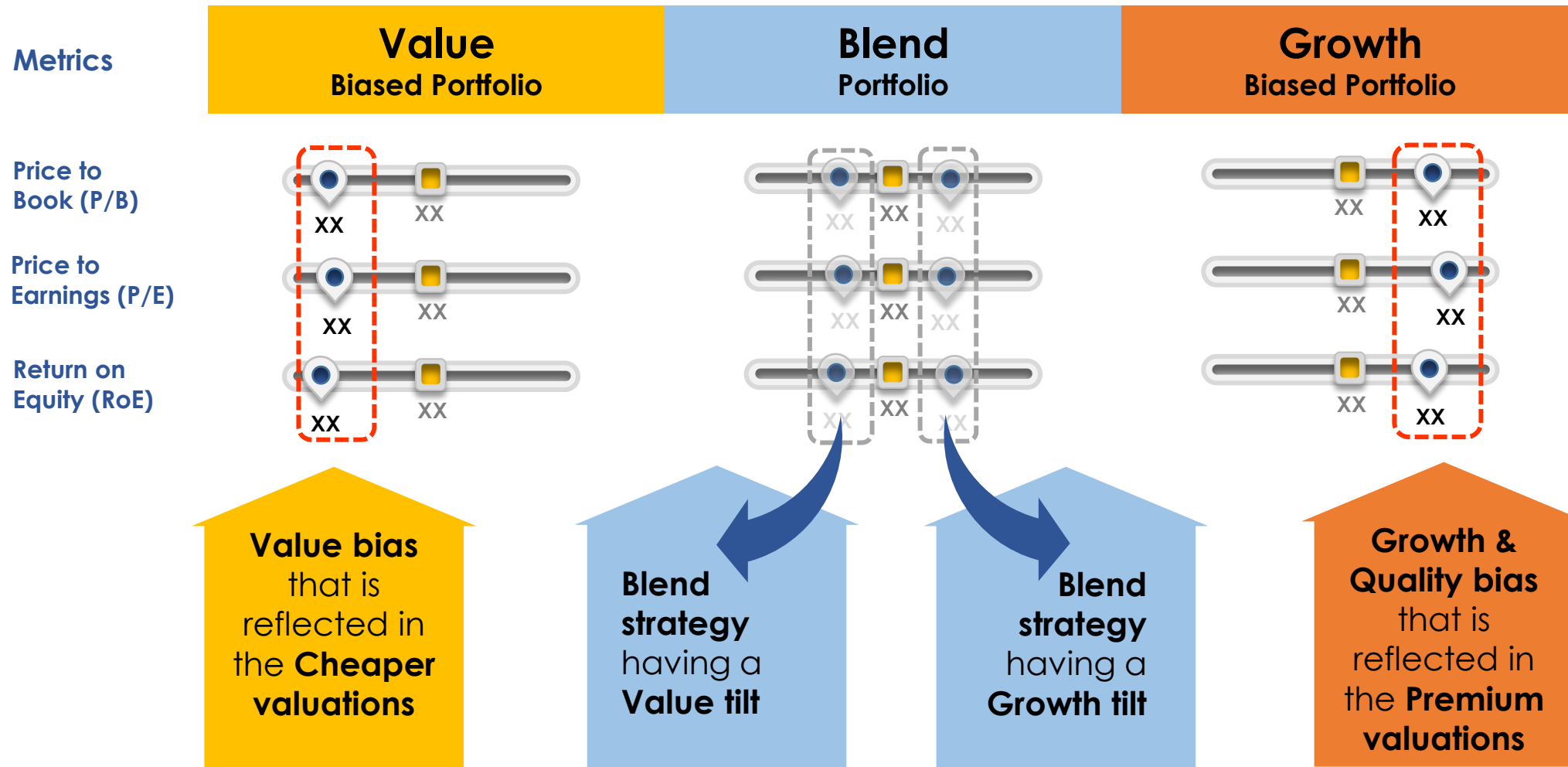


Percentage of portfolio that is distinct from the Benchmark; higher active share implies greater portfolio uniqueness and potential for higher alpha generation

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