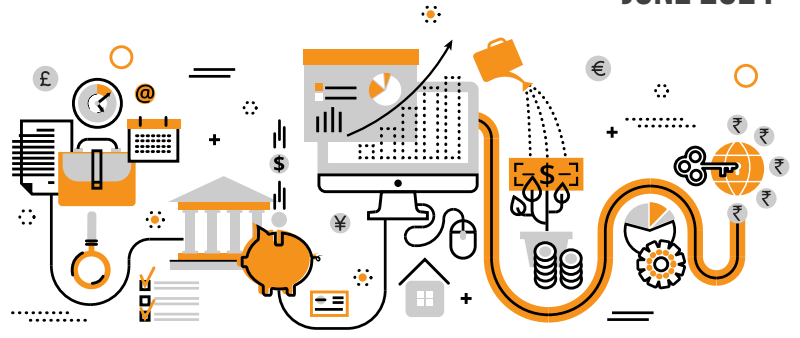


# EMKAY ENLAZAR

JUNE 2021



## FROM THE CEO'S DESK

Dear Patron,

Sport is a great leveller. The best of athletes strive to shave off seconds from their peak performance to get better. Whether it is Usain Bolt's 100 metre dash, or whether it is the wristy shot selection of Virat Kohli, the practice to get their timing right is an unending endeavour. These are people with their sole focus on their sports career and an intense desire to forego all else in search of a better record for themselves.

And yet, they don't always win. A better athlete or a freak shot by a lower order opposition batsman can change games dramatically at times. The essence of a great athlete is then to analyse what went wrong, and if it is an error of judgement on his part, he would go out there and practice better. Else, he will have the equanimity to believe that his training is leading to better consistency of results and would continue doing so

I am inclined to believe that we are currently going through a similar phase in the capital markets. This time last year, there were scores of intimidated investors doubting the fact that there could ever be a sustainable rally and were preferring to sit it out. Today, there are even more out there who are extolling the virtues of how much money they have made in reasonably short periods of time – and how they managed to not just get their “timing” right, but how simple it was for them to decode the whole process

These voices of doom and delight notwithstanding, there are seasoned investors and fund managers who have had the equanimity to go back to the drawing board and stick to the knitting. For them, it is sticking to their core and continuously improving their processes in light of different data points at different times is what is more important. To paraphrase the great Bruce Lee, the opponent to be feared is not the one who knows 10,000 moves, but the man who has practiced 1 move 10,000 times.

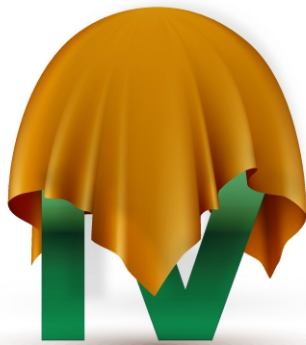
At Emkay Investment Managers Ltd (EIML), we have stuck to our core of identifying and aligning with high quality managements through the E-Equal Framework ([click here to download the book](#)) assiduously. This has also helped us to identify winners in industries across healthcare, pharma, infrastructure and even real estate, to name a few, over the last few years.

Not surprisingly, these consistent performances from our strategies over large periods of time have won us accolades as well. One such strategy has been our AIF offering Emkay Emerging Stars (enclosed below) which recently won an award for its performance.

We are happy to report that we would be announcing the launch of our latest offering Emkay Emerging Stars – Series IV shortly. It comes with exciting new features and should be part of every discerning investor's portfolio. Please do connect with our sales team for more details.



**Vikaas M Sachdeva**  
Chief Executive Officer  
Emkay Investment Managers Ltd. (EIML)

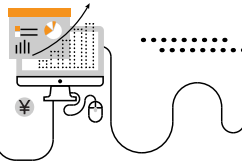


New series of our award winning fund is  
**coming soon!**

STAY TUNED FOR

**Emkay Emerging Stars Fund Series IV**





## INVESTMENT SOLUTIONS



### SMART ALPHA

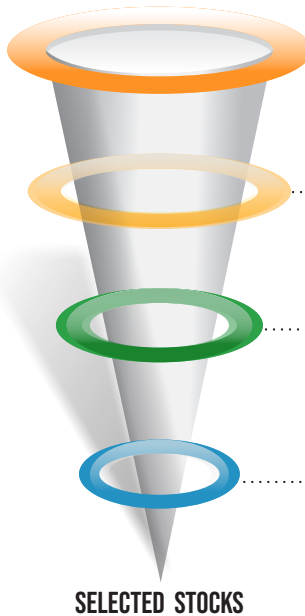
Using this approach, we try to mitigate typical fund manager vulnerabilities, primary among those being the "Selection bias" and the "Allocation bias".

"Selection" bias and "Allocation" bias, if mitigated, can lead to superior risk adjusted returns consistently

The biases are mitigated by way of :

- Defined universe for selection of stocks
- Equi-weighted portfolio

Number of listed Companies = > 5,000



- Defined Market Cap Filter**  
Focus on large and midcaps
  - Top 250 companies as per Market Cap
  - Net Sales > INR 500cr
- Earnings Growth Filter**  
Focus on strong historic and future growth
  - ROCE > WACC
  - Earnings growth > GDP growth rate
- Strong Leadership Framework Filter**
  - Strong leadership in the respective sector: Market share/ profit share/ cost/ growth/ product
  - Strong Management credentials: Vision, track record, growth
- Comprehensive Valuation Framework**
  - Comparative Valuations
  - Price - Value gap through DCF with focus on Margin of Safety
  - PEG ratio
  - Market cap vs Opportunity Size

SELECTED STOCKS

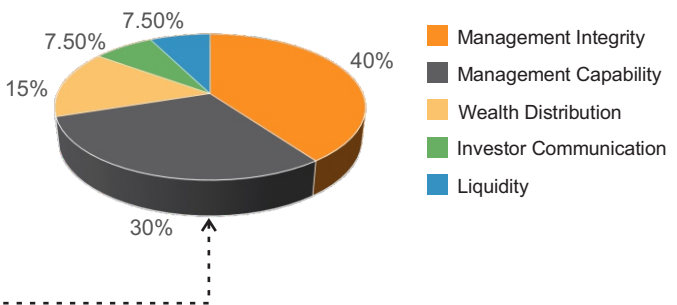
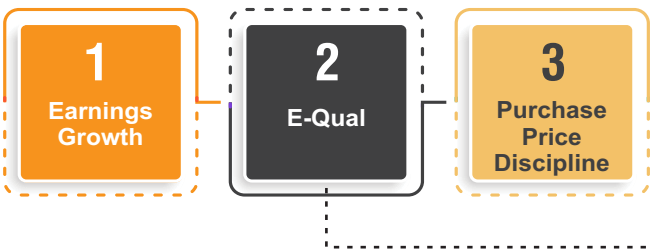


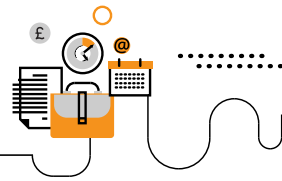
### E-Qual Framework

First of it's kind model in the country which calibrates the "Governance" aspect of a company. Each company is evaluated on the basis of the following parameters and a score is assigned to them.

Using this approach, we generate alpha through pure bottom-up stock picking and extensive research. We employ multi-pronged investment strategies and leverage proprietary models like E-Qual to deliver consistent long-term returns.

### Three Pronged Investment Process





## Emkay Emerging Stars Fund



### Returns

Scheme Name	1 Month	3 Months	6 Months	1 Year	2 Year*	Absolute returns	Since Inception
						11/Jan/18 To 31/Mar/21	11/Jan/18 To 31/Mar/21*
EES Series I	-1.5	6.6	28.7	111.6	16.5	26.9	7.7
S&P BSE Mid-Cap	1.0	12.5	37.2	90.9	14.2	11.4	3.4
S&P BSE Small-Cap	2.5	14.1	38.9	114.9	17.2	3.7	1.1

Scheme Name	1 Month	3 Months	6 Months	1 Year	2 Year*	Absolute returns	Since Inception
						28/Mar/18 To 31/Dec/20	28/Mar/18 To 31/Dec/20*
EES Series II	-1.6	6.6	28.7	112.3	16.2	25.7	7.9
S&P BSE Mid-Cap	1.0	12.5	37.2	90.9	14.2	25.8	7.9
S&P BSE Small-Cap	2.5	14.1	38.9	114.9	17.2	20.4	6.4

Scheme Name	1 Month	3 Months	6 Months	1 Year	2 Year*	Absolute returns	Since Inception
						15/Oct/18 To 31/Dec/20	15/Oct/18 To 31/Dec/20*
EES Series III	-1.6	6.4	27.7	107.7	14.4	36.0	13.3
S&P BSE Mid-Cap	1.0	12.5	37.2	90.9	14.2	40.4	14.8
S&P BSE Small-Cap	2.5	14.1	38.9	114.9	17.2	43.9	15.9

\*CAGR Returns

	NAV	Inception Date
AIF I	126.86	11-Jan-18
AIF II	125.70	28-Mar-18
AIF III	135.99	15-Oct-18



data as on 31.03.2021



### Emkay Emerging Stars Fund



**BEST POST COVID  
AIF PERFORMANCE**  
Across All Categories  
**WINNER**

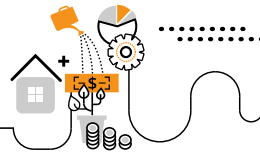
by  **PMS AIF WORLD**  
High Performance Investing

Basis 6 months Absolute Returns

<b>Performance AIF Series 1</b>	30.04.20 - 31.01.21	(9 M)	84.4%
	31.07.20 - 31.01.21	(6 M)	51.1%

Disclaimer : Emkay Investment Managers Ltd. is not responsible for any error or inaccuracy or any losses suffered on account of information contained in this report. Investors and Distributors are advised to consult before taking any decision on investments. Past Performance if mentioned herein, is not an indicator of future performance. Performance related information enclosed in this document is not verified by SEBI. Investments products are subject to market risks, read all the relevant fund related documents carefully before investment. For further details, please visit: [www.emkayim.com](http://www.emkayim.com)

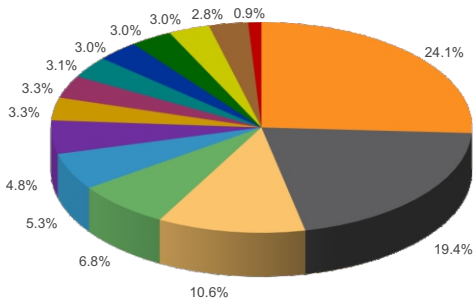




## Emkay Capital Builder



### Sectors



- Pharmaceuticals
- Auto & Auto Ancillaries
- Oil & Gas
- Distilleries
- Consumer Discretionary
- Infrastructure
- FMCG
- Financial Services
- IT
- Real Estate
- Capital Goods
- Telecom
- Insurance
- Consumer

**Note:** The current portfolio holdings may or may not be a part of the future portfolio holdings.

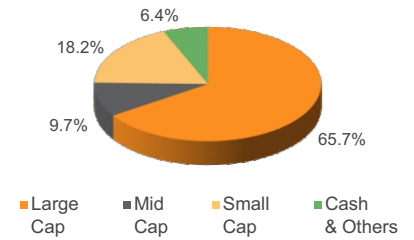
Investors' Portfolio may vary from the Strategy Level Portfolio shown above in the Top Holdings.

(Above Portfolio details are as on 31.05.2021)

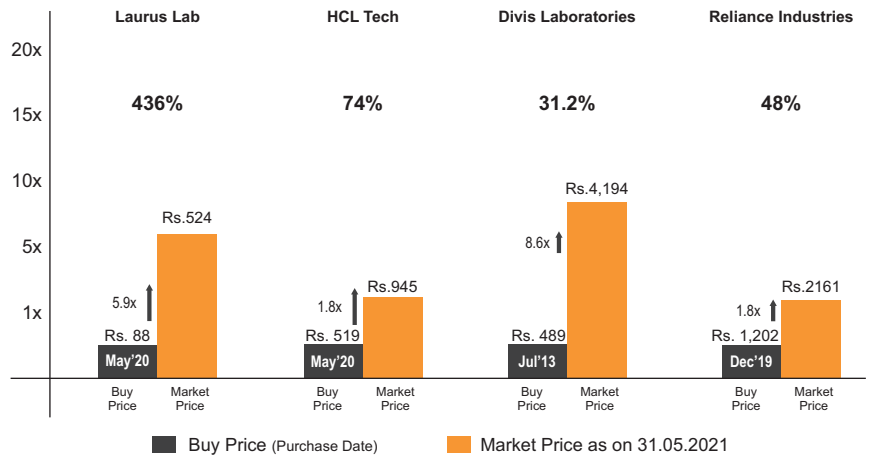
### Top 5 holdings

Divi's Laboratories Ltd.	15.3%
ICICI Bank Ltd.	13.1%
HDFC Bank Ltd.	6.7%
Sundram Fasteners Ltd.	6.6%
Sun Pharma Ltd.	5.8%

### Market Capitalisation



### Stock-Picking Track Record

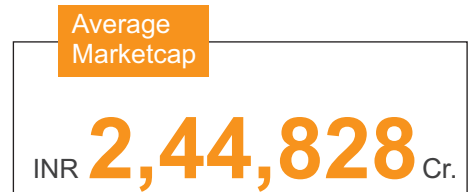


	3M	6M	1Y	3Y	Since Inception
Emkay Capital Builder (TWRR)	8.2	19.9	69.6	7.7	15.4
Nifty 500	8.6	23.4	69.1	12.4	14.2
Outperformance	-0.3	-3.5	0.5	-4.7	1.2

# TWRR Returns As on 31.05.2021



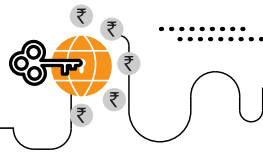
Total number of Stocks **20-25**



Inception Date **01-Apr-13**

All data is as on 31.05.2021

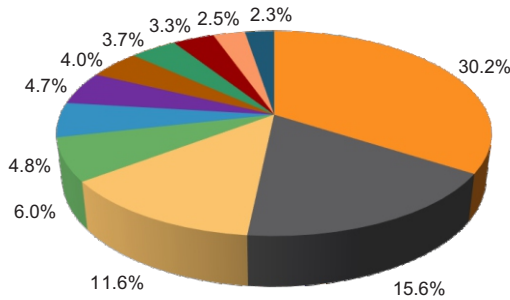




Emkay Pearls



## Sectors

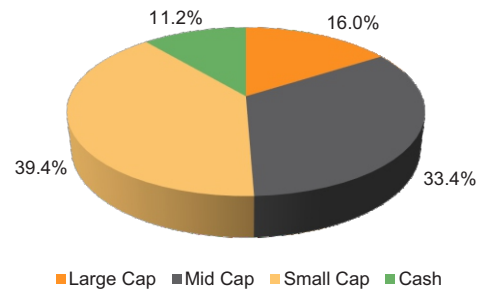


- Pharmaceuticals
- IT
- Consumer
- Capital Goods
- Oil & Gas
- Infrastructure
- Auto & Auto-ancillary
- Real Estate
- Healthcare
- Discretionary Consumer
- Distilleries

## Top 5 holdings

Divi's Laboratories Ltd.	16.0%
Tata Elxsi Ltd.	11.6%
Sundram Fasteners Ltd.	10.6%
Laurus Labs Ltd.	6.1%
Nesco Ltd.	6.0%

## Market Capitalization

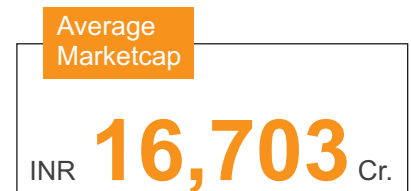


	3M	6M	1Y	3Y	5Y	8Y	Since Inception
Emkay Pearls (Model Portfolio)	14.7	31.6	91.3	12.9	16.3	20.3	18.6
Emkay Pearls (TWRR)	13.9	31.7	91.7	11.4	14.7	19.4	16.8
BSE Midcap	8.9	28.6	83.7	10.8	13.9	16.6	14.6
Outperformance (Model v/s benchmark)	5.8	2.9	7.6	2.1	2.4	3.7	4.0
Outperformance (TWRR v/s benchmark)	5.0	3.1	8.0	0.6	0.8	2.9	2.2

# TWRR Returns \*As on 31st May, 2021



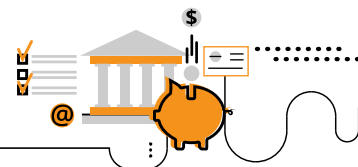
Total number of Stocks **15-20**



Inception Date **24-Apr-12**

All data is as on 31.05.2021





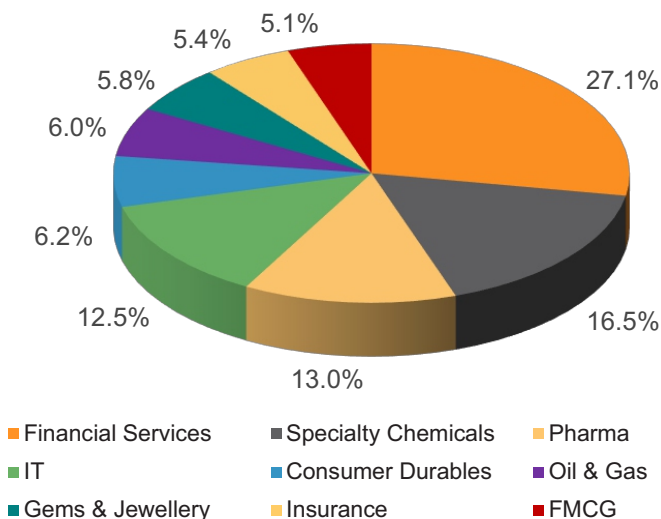
## Emkay L.E.A.D



### Investment Objective

The portfolio seeks to achieve long term capital appreciation by predominantly investing in large and mid cap high-growth companies with a leadership trait in the sector along with strong moat, quality management and reasonable valuations.

### Sector Allocation %



### Top 5 Holdings

Scrip Names	% Holdings
Aarti Industries Ltd.	8.8%
Bajaj Finance Ltd.	8.6%
Infosys Ltd.	7.3%
Divi's Laboratories Ltd.	7.2%
Whirlpool of India Ltd.	6.2%

### Market Capitalization

Market Capitalization	% Equity
Large Cap	76.3%
Mid Cap	21.3%
Cash	2.4%

### Performance Update

	3M	6M	1Y	2Y	Since Inception
Emkay L.E.A.D. (Model Portfolio)	6.7	11.9	40.7	15.2	16.2
Emkay L.E.A.D. (TWRR)	5.6	10.1	35.9	11.7	13.0
Nifty 200	8.1	22.0	65.3	15.2	16.7
Outperformance (Model v/s Benchmark)	-1.4	-10.0	-24.6	0.0	-0.5
Outperformance (TWRR v/s Benchmark)	-2.4	-11.9	-29.4	-3.6	-3.7

Total number of Stocks **15**

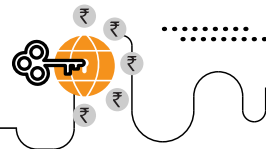
Benchmark **Nifty 200**

Average Marketcap  
INR **2,43,756** Cr.

Inception Date **01-Nov-18**

All data is as on 31.05.2021

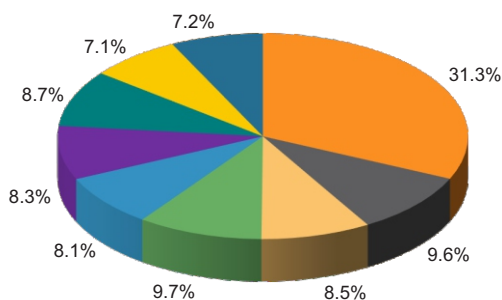




## Emkay's 12



### Sectors



- Financial Services
- Pharmaceuticals
- Specialty Chemicals
- Cement
- IT
- Auto & Auto Ancillary
- Oil & Gas
- Gems & Jewellery
- FMCG

### Top 5 holdings

Divi's Laboratories Ltd.	9.7%
Ultratech Cement Ltd.	9.6%
ICICI Bank Ltd.	9.3%
Pidilite Industries Ltd.	8.7%
Reliance Industries Ltd.	8.5%

### Features of Emkay's 12

- Focus on risk adjusted returns
- Steady performance over medium term
- Low portfolio turnover
- Portfolio of 12 structural growth cos
- No wide diversification
- Lower portfolio volatility and high liquidity
- An alternative to large cap mutual funds

### Performance Update

	3M	6M	12M	Since Inception
Emkay'12 (Model Portfolio)	9.4	17.0	56.6	22.1
Emkay'12 (TWRR)	9.1	16.4	53.2	19.9
Nifty	7.3	20.2	62.7	21.1
Outperformance (Model v/s Nifty)	2.2	-3.2	-6.1	1.1
Outperformance (TWRR v/s Nifty)	1.9	-3.7	-9.4	-1.2

Above returns are TWRR returns  
Inception date 1st August 2019.

Performance update  
as on 31.05.2021

### Also available in the unique format

VALUE शस्त्र  
Piercing the Chakravayuha of Equity Investments



Total number of Stocks **12**

**LARGE CAP**

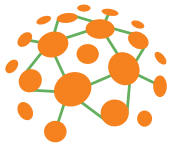
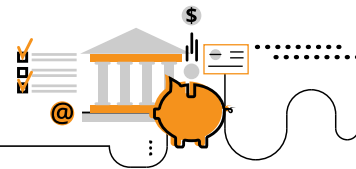
Average Marketcap

INR **4,85,729** Cr.

Inception Date **01-Aug-19**

All data is as on 31.05.2021

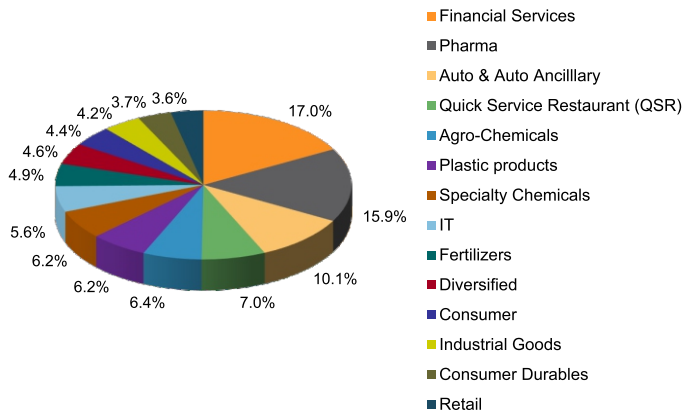




## Emkay GEMS



### Sector Allocation



### Top 5 holdings

Jubilant FoodWorks Ltd.	7.0%
Dr. Lal PathLabs Ltd.	6.7%
PI Industries Ltd.	6.4%
Supreme industries Ltd.	6.2%
SRF Ltd.	6.2%

### Performance Update

	3M	6M	1YR	Since Inception
Emkay GEMS (TWRR)	8.4	17.4	56.5	35.3
Nifty Midcap 150	10.2	30.3	92.2	41.0
Outperformance	-1.8	-12.9	-35.7	-5.6

### Back-tested returns of Emkay GEMS investment philosophy

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GEMS qualifiers (%)	-48.23	123.83	27.05	-21.36	39.96	6.78	61.86	14.98	7.39	46.94	-5.60	5.74
Benchmark (%)	-59.39	98.97	19.16	-31.00	39.16	-5.10	55.91	6.46	7.13	47.26	-15.42	-4.32

<b>CAGR</b>	<b>16.51%</b> GEMS qualifiers	<b>10.88%</b> Benchmark	<b>5.64%</b> Outperformance	Period : January – December (YTD)
-------------	----------------------------------	----------------------------	--------------------------------	-----------------------------------

Inference : Despite inherent volatility, the portfolio has outperformed the benchmark each year, aggregating in an alpha of 5.64% over the last 11 years.

\*Nifty Midcap 150 index was formed in 2018. Data for purpose of the study, therefore, is Nifty Midcap 100



Total number of Stocks **20**

Average Marketcap

INR **25,559** Cr.

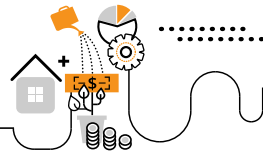
**MID CAP**

Inception Date **03-Mar-20**

All data is as on 31.05.2021







Invest in



Emkay Duet

2 PMS portfolios within

₹ 50 LAC

Choose from any of the following three combinations of our portfolios, each giving you a **unique dual advantage**




Emkay Capital Builder

+




Emkay GEMS



Emkay L.E.A.D

+



Emkay Pearls

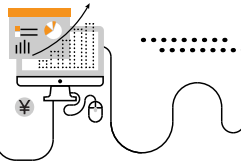


Emkay's 12

+



Emkay Pearls



**Emkay Investment Managers Ltd.** (EIML) is the asset management arm of Emkay Global Financial Services Ltd.(EGFSL), a SEBI registered Portfolio Manager managing & advising investments for long-term (3-5 years+) investors consisting of Family Offices, HNIs, Corporate & NRIs, in Indian equities. Currently the team manages assets over INR 650 crores.

## OUR TEAM



**Krishna Kumar Karwa**  
MD - EGFSL  
Mentor - EIML



**Vikaas M Sachdeva**  
CEO - EIML



**Sachin Shah**  
Fund Manager - EIML



**Kashyap Javeri**  
Fund Manager - EIML

## PROFILE OF FUND MANAGERS

### Sachin Shah

Sachin is a seasoned fund manager with over two decades of experience in the Indian equity markets. By virtue of his extensive research, Sachin realised early-on the need for a framework in which companies with evasively tricky standing needed to be filtered out very objectively, leading to the development of E-Qual Risk, EIML's proprietary module which helps us to evaluate and compare listed companies on various aspects of governance. Sachin shares his knowledge and insights through various media interactions across print and digital platforms.

### Kashyap Javeri

Kashyap Javeri is a fund manager with more than a decade of experience in company and sector research. He brings exceptional insights into stocks and economy. Prior to joining Emkay Investment Managers, he was a rated BFSI analyst in Emkay Institutional Equities for eight years and also worked with Sharekhan Ltd as midcap analyst. Kashyap brings with him immense in-depth knowledge on not only variety of manufacturing and services sectors but also on banking and economics.

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