

FROM THE CEO'S DESK

Dear Patron,

The capital markets have latched on to a new trajectory of ebullience, after being witness to what has already been described as a "Once-in-a-lifetime" budget. There is more value unlocking happening across dormant sectors like PSUs, power and utilities etc. which is throwing up new winners across the spectrum.

It is quite evident that most investment opportunities will be looked at with rose-tinted glasses, conveniently ignoring at times the wobbly fundamentals of the stock underneath. It is during such times that our intense focus on quality managements (basis the E-Qual model) and businesses (basis our Smart Alpha framework) will not just be tested, but vindicated.

We have already seen appreciation for our investment processes come through. As I had mentioned in my last newsletter, the "Emkay Emerging Stars" series on our AIF platform has won the award for the "Best Post-Covid AIF Performance' recently. It couldn't have come at a better time, as we get ready to launch Series IV of this award winning series early next month.

Some more updates which might be of interest to you

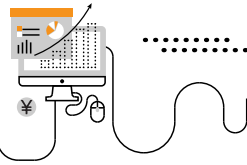
- Kashyap Jhaveri, who has been the co-fund manager across our investment strategies, takes over as the fund manager for Emkay LEAD and Emkay's 12, while continuing to be the co-fund manager along with Sachin Shah across all the other strategies
- We have recently launched "Emkay Alpha Mavens" for the most discerning connoisseur of investors. A highly customized portfolio with terms of engagement appealing to Ultra HNIs, family offices and trusts, this promises to change the landscape of portfolio investing in the country
- You should explore "Emkay Duet" which enables you to have an exposure of two investment strategies even if you invest at the minimum threshold level of Rs 50 lakhs ! This is generating a lot of interest – please make sure you read about it in this newsletter

Very recently, we hosted the second episode of "Emkay Alpha Mavens", our webinar which features a discussion with the best minds in the wealth management business. Our guest this time was Mr Karan Bhagat, Founder, MD & CEO of IIFL Wealth and Asset Management. With his characteristic humility, Mr Bhagat led the viewers into an Entrepreneurs mindset and how he looked at the whole process of wealth creation. You can access this interview by clicking [here](#)

As always, we are deeply grateful for your interest and continued patronage. Your feedback helps us evolve and serve you even better. Please do feel free to write in to me personally on vikaas.m.sachdeva@emkayim.com for any insights you may wish to share.



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



INVESTMENT SOLUTIONS



SMART ALPHA

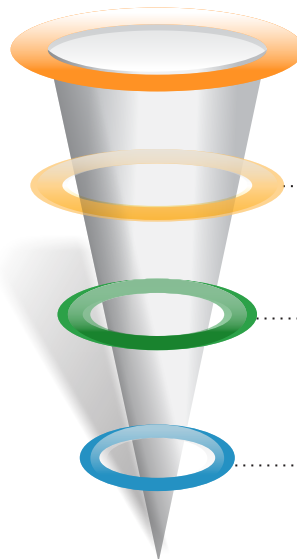
Using this approach, we try to mitigate typical fund manager vulnerabilities, primary among those being the "Selection bias" and the "Allocation bias".

"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 > COE
- 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

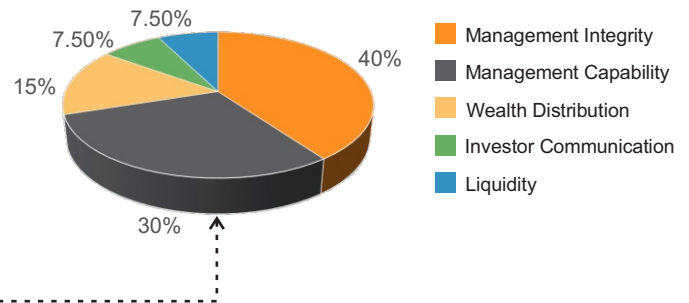
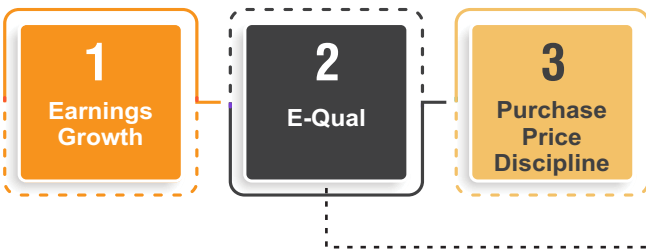


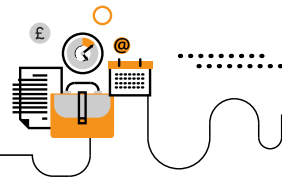
E-Qual Framework

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

Period	1 month	3 month	6 month	1 year	2 year*	Since Inception*
AIF I	7.4	20.7	62.3	35.5	14.7	6.0
BSE Mid Cap	6.1	22.0	37.4	19.9	7.8	-0.3
BSE Small Cap	7.2	21.7	46.2	32.1	10.9	-3.1
AIF II	7.4	20.8	62.3	35.2	14.6	6.2
BSE Mid Cap	6.1	22.0	37.4	19.9	7.8	4.1
BSE Small Cap	7.2	21.7	46.2	32.1	10.9	2.0
AIF III	7.3	20.0	59.9	34.9	12.8	11.7
BSE Mid Cap	6.1	22.0	37.4	19.9	7.8	10.5
BSE Small Cap	7.2	21.7	46.2	32.1	10.9	11.1

*CAGR Returns

	NAV	Inception Date
AIF I	119.03	11-Jan-18
AIF II	117.94	28-Mar-18
AIF III	127.81	15-Oct-18

The NAV as on 31st December'20 is unaudited.



data as on 31st December'20



Emkay Emerging Stars Fund



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

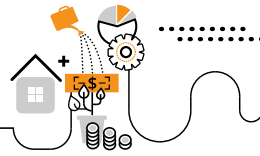
by  **PMS AIF WORLD**
High Performance Investing

Basis 6 months Absolute Returns

Performance AIF Series 1	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

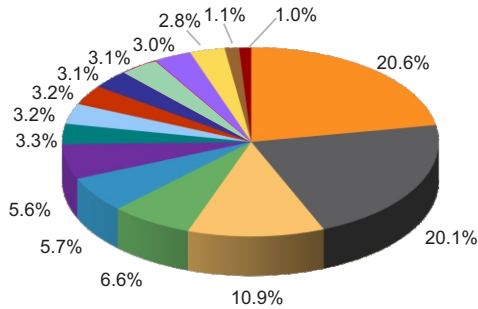




Emkay Capital Builder



Sectors



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

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

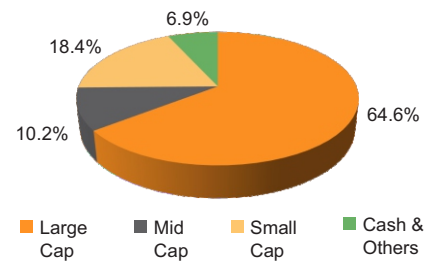
Investors' Portfolio may vary from the Strategy Level Portfolio shown above in the Top Holdings.

(Above Portfolio details are as on 28th February '21)

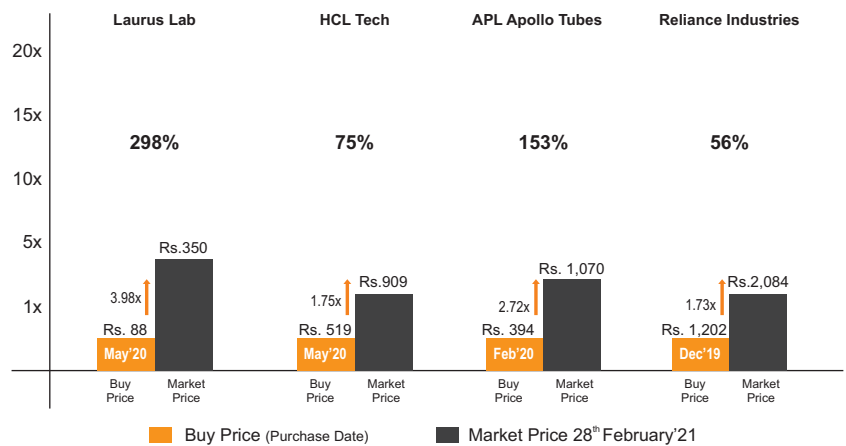
Top 5 holdings

Divi's Laboratories Ltd.	13.3%
ICICI Bank Ltd.	12.8%
HDFC Bank Ltd.	7.3%
Sundram Fasteners Ltd.	6.4%
Nesco Ltd.	5.7%

Market Capitalisation



Stock-Picking Track Record



	9M	1Y	3Y	Since Inception
Emkay Capital Builder #	56.7	28.2	4.9	14.8
Nifty 500	55.7	31.9	9.6	13.6
Outperformance	1.0	-3.7	-4.6	1.2

TWRR Returns As on 28th February '21



Total number of Stocks **20-25**

MULTI CAP

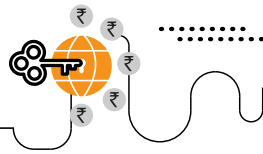
Average Marketcap

INR **2,25,350** Cr.

Inception Date **01-Apr-13**

All data is as on 28th February, 2021

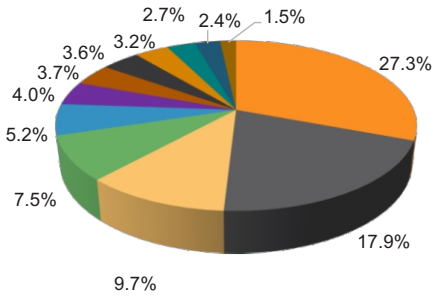




Emkay Pearls



Sectors

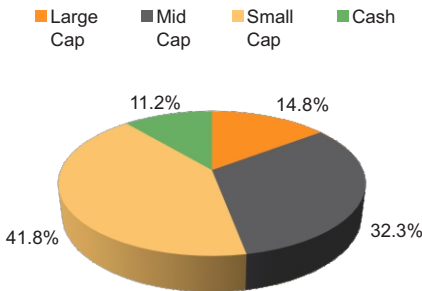


- Pharmaceuticals
- Auto & Auto-ancillary
- IT
- Real Estate
- Healthcare
- Capital Goods
- Discretionary Consumer
- Consumer
- Oil & Gas
- Distilleries
- Infrastructure
- Steel Pipes

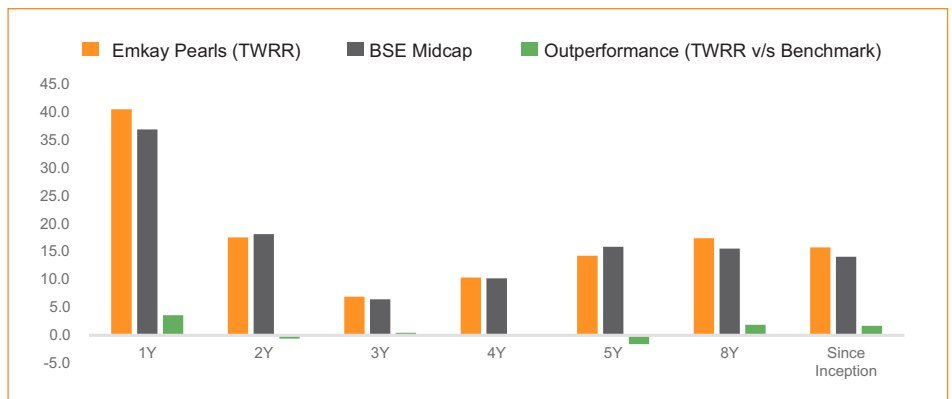
Top 5 holdings

Divi's Laboratories Ltd.	14.8%
Sundram Fasteners Ltd.	11.0%
Tata Elxsi Ltd.	9.7%
Nesco Ltd.	7.5%
CEAT Ltd.	6.9%

Market Capitalisation



Performance Update

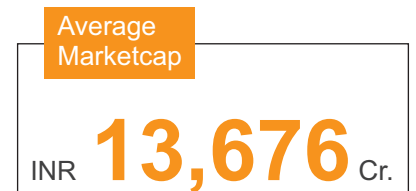


	1Y	2Y	3Y	4Y	5Y	8Y	Since Inception
Emkay Pearls (TWRR)	40.5	17.5	6.9	10.4	14.3	17.4	15.7
BSE Midcap	36.8	18.1	6.5	10.2	15.8	15.5	14.0
Outperformance (TWRR v/s Benchmark)	3.6	-0.6	0.5	0.2	-1.6	1.9	1.7

TWRR Returns As on 28th February'21



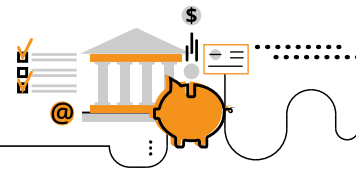
Total number of Stocks **15-20**



Inception Date **24-Apr-12**

All data is as on 28th February,2021





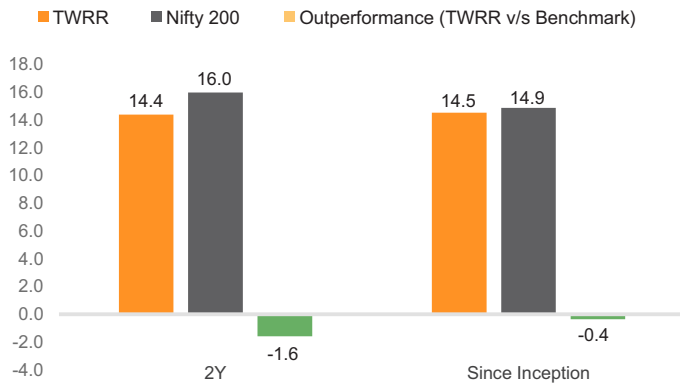
Emkay L.E.A.D



Investment Objective

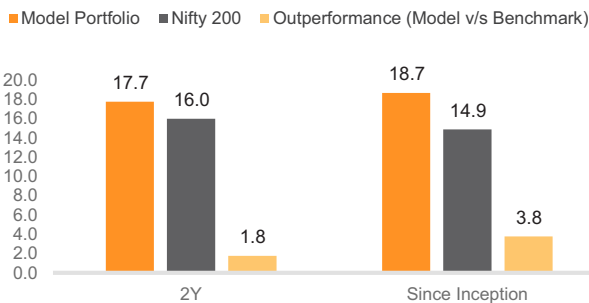
The portfolio seeks to achieve long term capital appreciation by predominantly investing in large and mid cap high-growth companies with a leadership trait in the sector along with strong moat, quality management and reasonable valuations.

Performance Update



Above returns are TWRR returns
Inception date : 1st November 2018

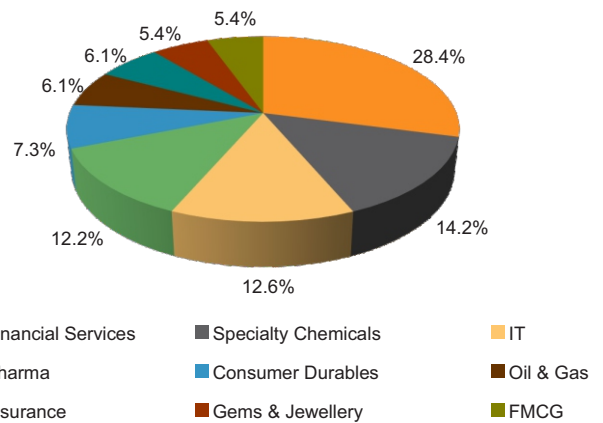
Performance update
as on 28th February '21



Inception date : 1st November 2018

Performance update
as on 28th February '21

Sector Allocation %



Top 5 Holdings

Scrip Names	% Holdings
Bajaj Finance Ltd.	8.5%
Whirlpool of India Ltd.	7.3%
Aarti Industries Ltd.	7.3%
HDFC Bank Ltd.	7.2%
Infosys Ltd.	7.0%

Market Capitalization

Market Capitalization	% Equity
Large Cap	77.1%
Mid Cap	20.6%
Cash	2.3%

Total number of Stocks **15**

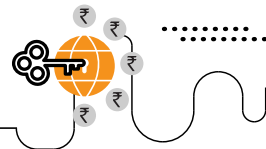
Benchmark **Nifty 200**

Average Marketcap
INR **2,39,199** Cr.

Inception Date **01-Nov-18**

All data is as on 28th February, 2021

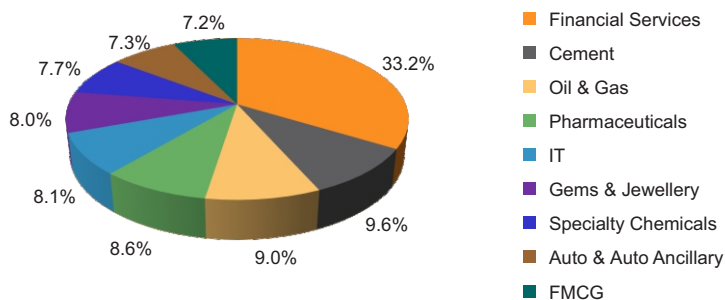




Emkay's 12



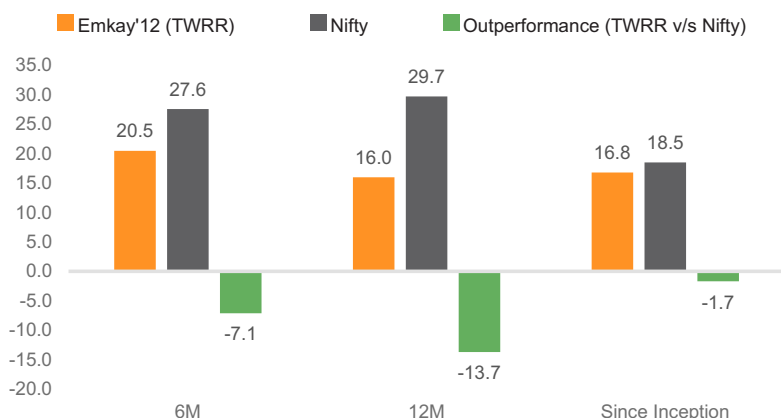
Sectors



Top 5 holdings

Ultratech Cement Ltd.	9.6%
ICICI Bank Ltd.	9.2%
Reliance Industries Ltd.	9.0%
HDFC Bank Ltd.	8.7%
Divi's Laboratories Ltd.	8.6%

Performance Update



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

Performance update
as on 28th February'21

	6M	12M	Since Inception
Emkay'12 (TWRR)	20.5	16.0	16.8
Nifty	27.6	29.7	18.5
Outperformance (TWRR v/s Nifty)	-7.1	-13.7	-1.7

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



Total number of
Stocks **12**

**LARGE
CAP**

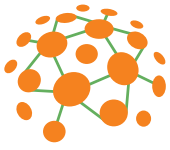
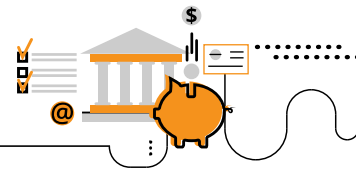
Average
Marketcap

INR **4,63,218** Cr.

Inception Date **01-Aug-19**

All data is as on 28th February,2021

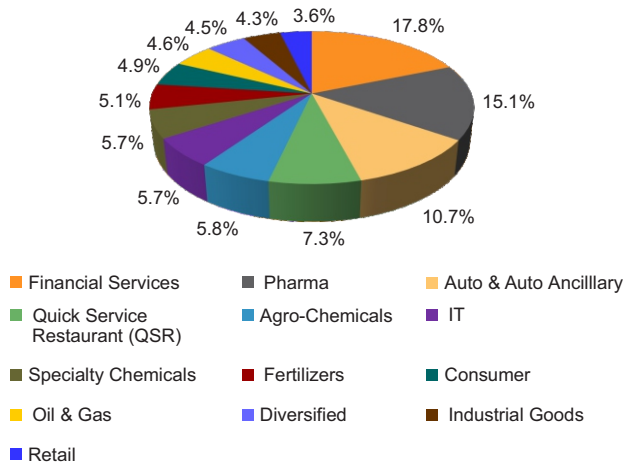




Emkay GEMS



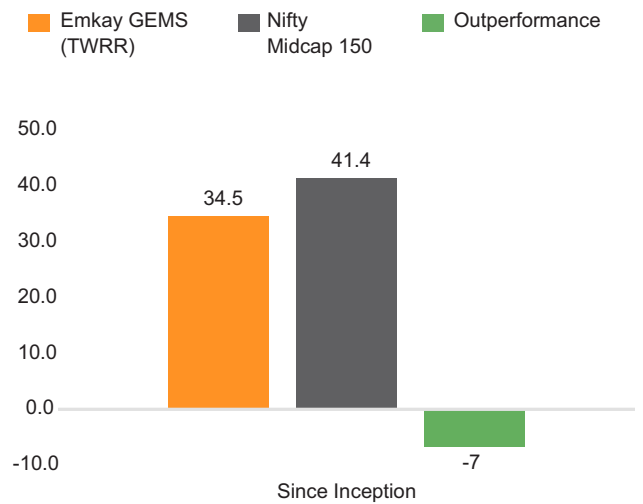
Sector Allocation



Top 5 holdings

Jubilant Foodworks Ltd.	7.3%
Cholaman Investment Ltd.	7.0%
Endurance Technologies Ltd.	6.0%
PI Industries Ltd.	5.8%
L&T Technology Services Ltd.	5.7%

Performance Update



	Since Inception
Emkay GEMS (TWRR)	34.5
Nifty Midcap 150	41.4
Outperformance	-7

All data is as on 28th February, 2021

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

CAGR	16.51% GEMS qualifiers	10.88% Benchmark	5.64% Outperformance
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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

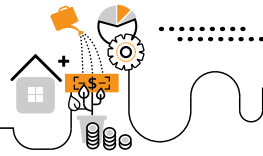
INR **26,622** Cr.



Inception Date **03-Mar-20**

All data is as on 28th February, 2021





Invest in



Emkay Duet

2 PMS portfolios within



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

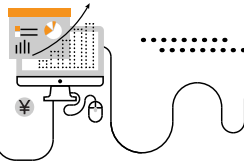


Emkay's 12

+



Emkay Pearls



Emkay Investment Managers Ltd. (EIML) is the asset Management arm of Emkay Global Financial Services Ltd., 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 580 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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