nuvama asset management

Meta Investment
Your Investment and Insurance Company

NUVAMA EQUITIES EXPANSION TARGET (NEXT)

Small and Mid cap (SMID) focused equity PMS

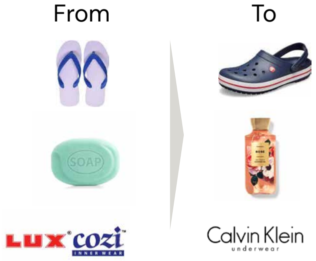
Participate in India's $3 trn + प्रगती

Premiumisation

Crossing over from 'needs' to 'wants'

Better earning capacity, higher disposable incomes leading to rising aspirations, and lifestyle upgrades

From → To



Globalisation

India taking centre stage in global trade

Increasing reliance on our manufacturing capabilities given cost/quality arbitrage combined with the need to diversify away from traditional hubs

INR 43 trn
Current share of manufacturing in India's INR 275 trn GDP

2X
PLI adding ~INR 30 trn, **doubling** manufacturing value in next 5 years

Transformation

Structural overhaul of the country's infrastructure

Heavy capex in key vectors such as roads, railways, airports, power modernizing India

Parameter	2014	2022	2030E
Roads (Kms constructed per day)	11.7	28.6	41.1
Railways Kms electrified	21,614	50,394	80,000
Airports (# of airports)	74	133	175

Source: Nuvama Research

SMID: Most effective way to participate in this प्रगती

Emerging themes aren't effectively represented in mainstream indices

- Chemicals
- Hospitals
- Construction/ Building materials
- Discretionary retail
- Electronic Manufacturing Services
- Capital Goods

Moreover, SMID seeing higher earnings expectations compared to large caps

	Nifty 50		SMID	
	Earnings growth	Performance	Earnings growth	Performance
3Y CAGR (FY19-FY22)	14% →	14%	28% →	20%
3Y CAGR Expected (FY22-FY25E)	12% →	?	23% →	?

Source: Bloomberg

Why NEXT?

1 Disciplined selection based on fundamentals

3Y Forward PAT CAGR	Forward looking ROE	Debt/ EBITDA#
> 25%	> 18%	< 2x

Free Cash Flow trends	Promoter Ownership*
Positive	> 50%

2 Real, relatable themes driving India's प्रगती

Premiumisation of consumption patterns
- Retail & Clothing brands
- Hospitality
- Real Estate
- Durables
- Alcohol & Beverages

Globalisation India's time in global trade
- Textiles
- Engineering goods
- Auto/ancillary
- Pharma/API

Transformation
- Cap Goods
- EPC
- Equipment manufacturers
- Logistics

Source: Nuvama Research

*#Except Commodities companies *Excluding Financials sector*
This is an indicative framework and list of sectors which the portfolio manager shall endeavor to follow while making portfolio investments

3 Proven equities track record

- **16%+ p.a. returned** since inception
- **~6% alpha over benchmark** in the last 12 months with superior risk-reward
- **Sharpe ratio of 1.2 vs 0.7 for benchmark**

Fund/ Benchmark	3 Month	6 Month	12 Month	CAGR Since Inception	Abs Return Since Inception	FY 23
EDGE	8.1%	2.5%	19.1%	16.4%	38.6%	8.0%
Nifty 50 TRI	7.4%	-0.8%	12.9%	13.0%	30.0%	0.6%

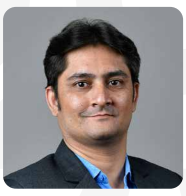
EDGE cushioned the downfall and delivered an **alpha of ~5%** during falling markets

EDGE captured the up move during rallies and **outperformed major indices by ~2%**

EDGE represents Nuvama Enhanced Dynamic Growth Equity Fund, a Cat III AIF managed by Ajay Vora and Nikhil Ranka. ITD performance from inception date: 05-Apr-21 till May'23. Source: NSE for market indices. Fund's performance related information provided herein is not verified by SEBI.

4 Equities expertise

Ajay Vora
Executive Vice President and Head, Equities, Nuvama Asset Management
18+ years experience



TINYWOW
Nikhil Ranka
Senior Vice President, Nuvama Asset Management
18+ years experience

- Extensive experience **in fundamental research and fund management**
- Proven track record in Indian equities, **delivering top notch returns** across different market conditions
- In-depth **expertise of business fundamentals** across sectors

Our offering

Sector and benchmark agnostic, well-diversified portfolio of **30 - 35 high conviction, quality SMID** companies

Market Cap	Allocation
Mid caps	80-100%
Small caps	Up to 20%

Combined with prudent risk management to manage SMID volatility

Single Stock Weight	7%
Single Sector Weight	30%
Days to liquidate	100% portfolio, 5-7 days

*This is an indicative framework which the portfolio manager shall endeavor to follow while making portfolio investments * Illustrative returns*

Key Terms

	Fixed fee structure			Performance fee structure		
Investment Amount (INR)	50 lacs-10 cr	10-25 cr	25 cr +	50 lacs-10 cr	10-25 cr	25 cr+
Management Fees (p.a. on average AUM)	2.50%	2.25%	2.00%	2.00%	1.75%	1.50%
Performance Fees (No catch up)	NA			15%	15%	15%
Hurdle Rate	NA			12% p.a. pre-tax, post expenses With high water mark		
Exit Load	2% up to 12 months | 1% from 13-24 months					
Expenses	At actuals, capped at 25 bps p.a.					
Benchmark	S&P BSE 500					
Min. investment	INR 50 Lacs					
Taxation	At investor level					

We provide an option for clients to be on-boarded directly, without intermediation of persons engaged in distribution services.

Are you ready to accelerate to the NEXT level of growth?

Call Meta Investment at +91-9309806281 for more details