

ITI Focused Equity Fund

(An open ended equity scheme investing in maximum 30 stocks across market capitalization)

NFO period : 29th May 2023 - 12th June 2023

Select, Focus, Win!



Focus Yields Results As Seen In Different Facets Of Life



B-School Topper



**Professional Player
Winning a Medal**



**Founder of a company
getting a Unicorn Valuation**



**Guru helping people selflessly
to achieve optimum health**

Had these people not focused on their goals, they would not have achieved desired results.

Focus Yields Results As Seen In Different Facets Of Life

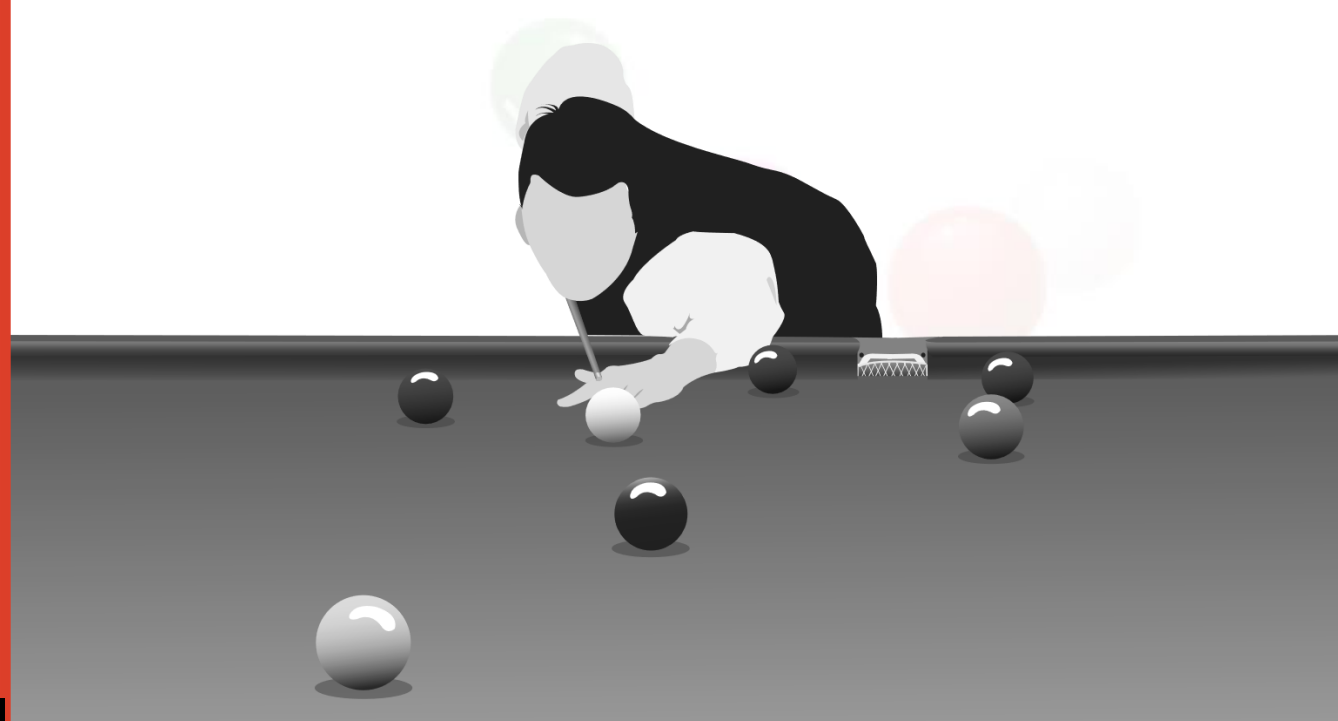
Story of Arjuna

Focus helps to overcome distractions and know what is important as seen in the Story of Arjuna & Guru Dronacharya .



Professional Pool Player

Focus helps a Professional Pool player to select his specific object balls to pot & finally go for the win on the table. He needs to consciously not pot other balls that may result in foul.



Applying this analogy; focus on stock selection helps to avoid over diversification which may bring down overall portfolio returns.

How To Acquire The Benefit Of Focus In Mutual Funds– Focused Funds

A focused fund, as per SEBI Categorization, is an equity scheme comprising of upto 30 stocks , with minimum 65% investment in equity & equity related instruments.

So, what are Focused Funds ?

FOCUSED FUND

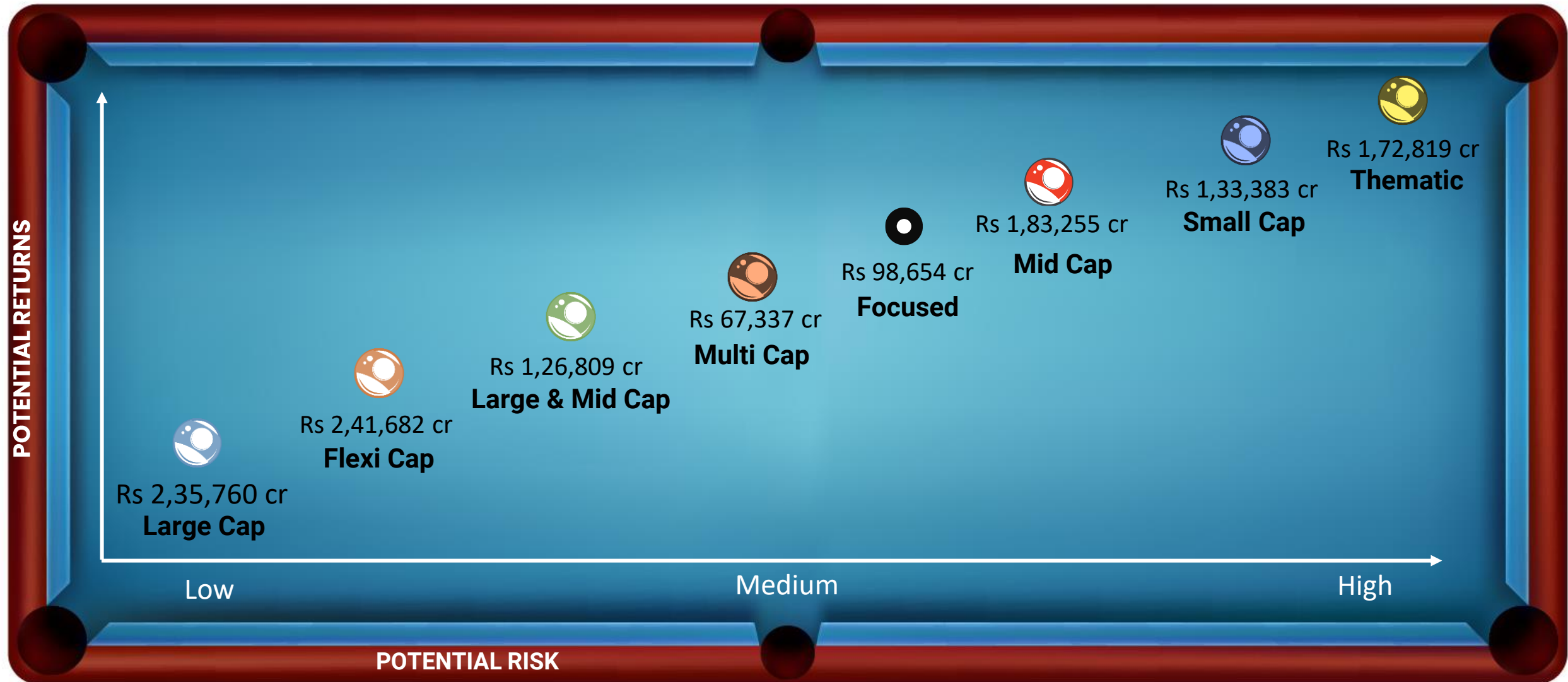


Can hold up to 30 stocks

Focused funds can define their own market cap concentration & hence the flexibility to find suitable opportunities

Suitable for medium to long term investors looking for relatively better risk adjusted return potential

How To Acquire The Benefit Of Focus In Mutual Funds– Focused Funds



Source - : AMFI Reports on Industry AUM , Data as on March 31st , 2023 (Latest data available)

Focused Approach Makes The Difference - Right Weight To Winners Matter

| Portfolio A (Higher Weight to Winners) | | | | |
|--|--------------|--------------------------|--------------|-----------|
| Category of Stocks | No of Stocks | Weight of each stock (%) | Total Weight | Return(%) |
| Cat A | 7 | 5% | 35% | 20% |
| Cat B | 7 | 4% | 28% | 18% |
| Cat C | 7 | 3% | 21% | 16% |
| Cat D | 7 | 2% | 14% | 15% |
| Cat E | 2 | 1% | 2% | 12% |
| | 30 | | 100% | 18% |

| Portfolio B (Lower Weight to Winners) | | | | |
|---------------------------------------|--------------|--------------------------|--------------|-----------|
| Category of Stocks | No of Stocks | Weight of each stock (%) | Total Weight | Return(%) |
| Cat A | 7 | 1% | 7% | 20% |
| Cat B | 7 | 2% | 14% | 18% |
| Cat C | 6 | 4% | 24% | 16% |
| Cat D | 7 | 5% | 35% | 15% |
| Cat E | 2 | 10% | 20% | 12% |
| | 30 | | 100% | 15% |

Higher allocation to conviction stocks may pay off.

Portfolio A delivered 18% returns due to optimal weights to top performers . Portfolio B delivered returns of 15% due to lower weightage to top performing stocks. Therefore, Alpha of 3% from Portfolio A due to right weight to winners

Note : Illustration to highlight that higher weight allocation to stocks with higher returns will help portfolio to generate higher returns. Above is for illustration purpose only Higher returns attracts higher risks. The above table is an illustration of a stated example and is not the actual performance of the scheme. The above is for representation only and should not be construed as return projection or be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future

Focused Approach Makes The Difference - Right Weight To Winners Matter



| Portfolio A (Higher Weight to Winners) | | | | |
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| Cat A | 7 | 5% | 35% | 20% |
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| Cat C | 7 | 3% | 21% | 16% |
| Cat D | 7 | 2% | 14% | 15% |
| Cat E | 2 | 1% | 2% | 12% |
| | 30 | | 100% | 18% |

| Portfolio C (Equal Weight) | | | | |
|----------------------------|--------------|--------------------------|--------------|-----------|
| Category of Stocks | No of Stocks | Weight of each stock (%) | Total Weight | Return(%) |
| Cat A | 6 | 3.33% | 20% | 20% |
| Cat B | 6 | 3.33% | 20% | 18% |
| Cat C | 6 | 3.33% | 20% | 16% |
| Cat D | 6 | 3.33% | 20% | 15% |
| Cat E | 6 | 3.33% | 20% | 12% |
| | 30 | | 100% | 16% |

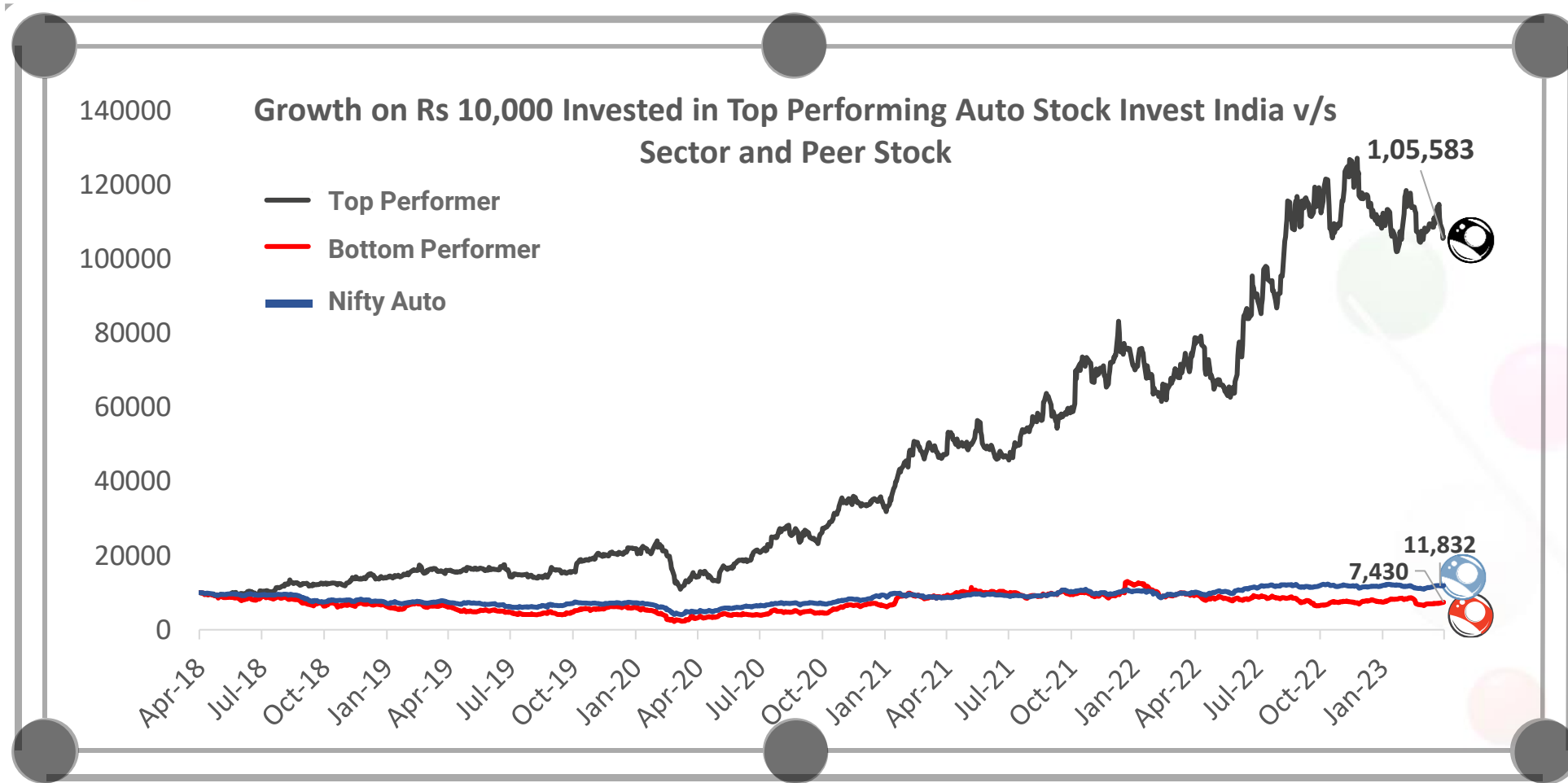
Higher allocation to conviction stocks may pay off.

Portfolio A delivered 18% return due to optimal weights to top performers . Portfolio C delivered returns of 16% owing to equal weights to all Categories of Stocks. Therefore Alpha of 2% from Portfolio A due to right weight to winners.

Note : Illustration to highlight that higher weight allocation to stocks with higher returns will help portfolio to generate higher returns. Above is for illustration purpose only

Higher returns attracts higher risks. The above table is an illustration of a stated example and is not the actual performance of the scheme. The above is for representation only and should not to be construed as return projection or be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future

Case Study: Right Stock Picking Makes All The Difference



10x in 5 years

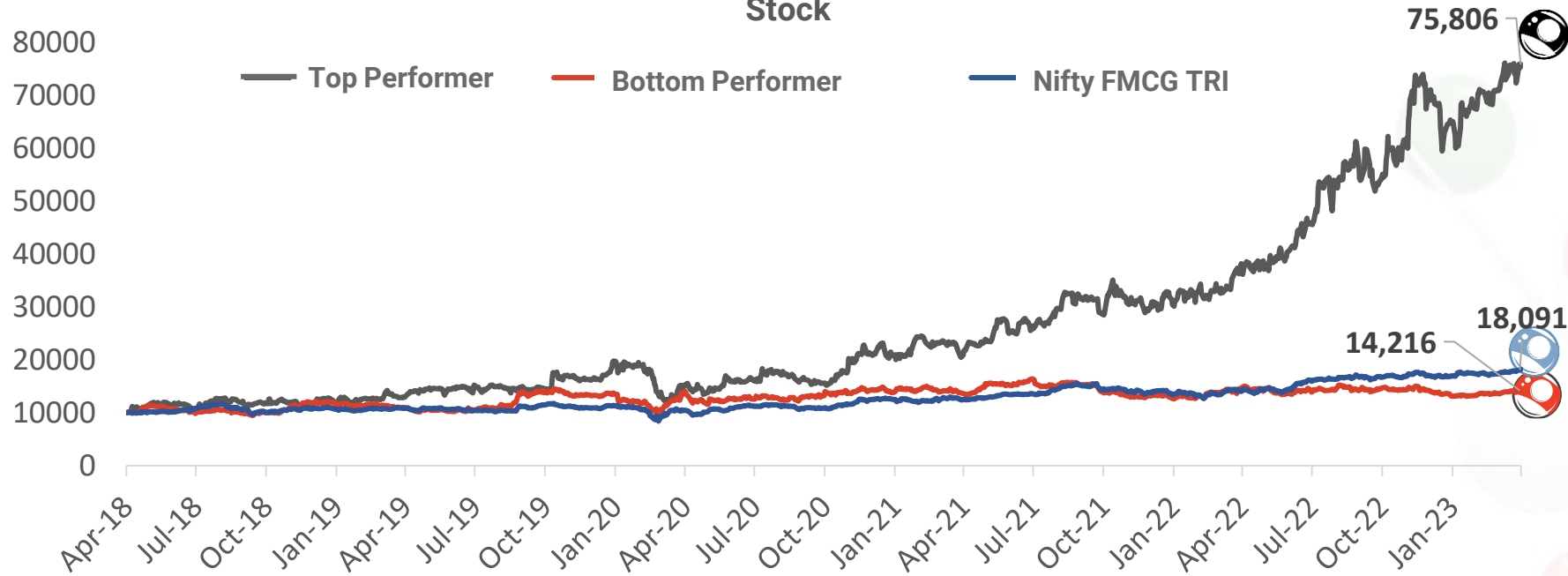
**Focused
v/s
Diversified
Approach**

| Stock/Sector | CAGR Returns (5 yrs) |
|------------------|----------------------|
| Top Performer | 60% |
| Bottom Performer | -6% |
| Nifty Auto | 4% |

Source: NSE, Internal data & Calculations; Data as on 26th Apr 2023, All returns are 5 Year CAGR. Past performance may or may not be sustained in the future. Sector(s) / Stock(s)/Issuers(s) mentioned above are for the purpose of illustration to explain the concept of focused approach and should not be construed as recommendation or indication of any future returns in the company. The fund manager(s) may or may not choose to hold the stock mentioned from time to time. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s). Sectors/Stocks mentioned may or may not form part of actual portfolio of ITI Focused Equity Fund

Case Study: Right Stock Picking Makes All The Difference

Growth on Rs 10,000 invested in Top Performing FMCG Stock v/s Sector & Peer Stock



7.5x in 5 years

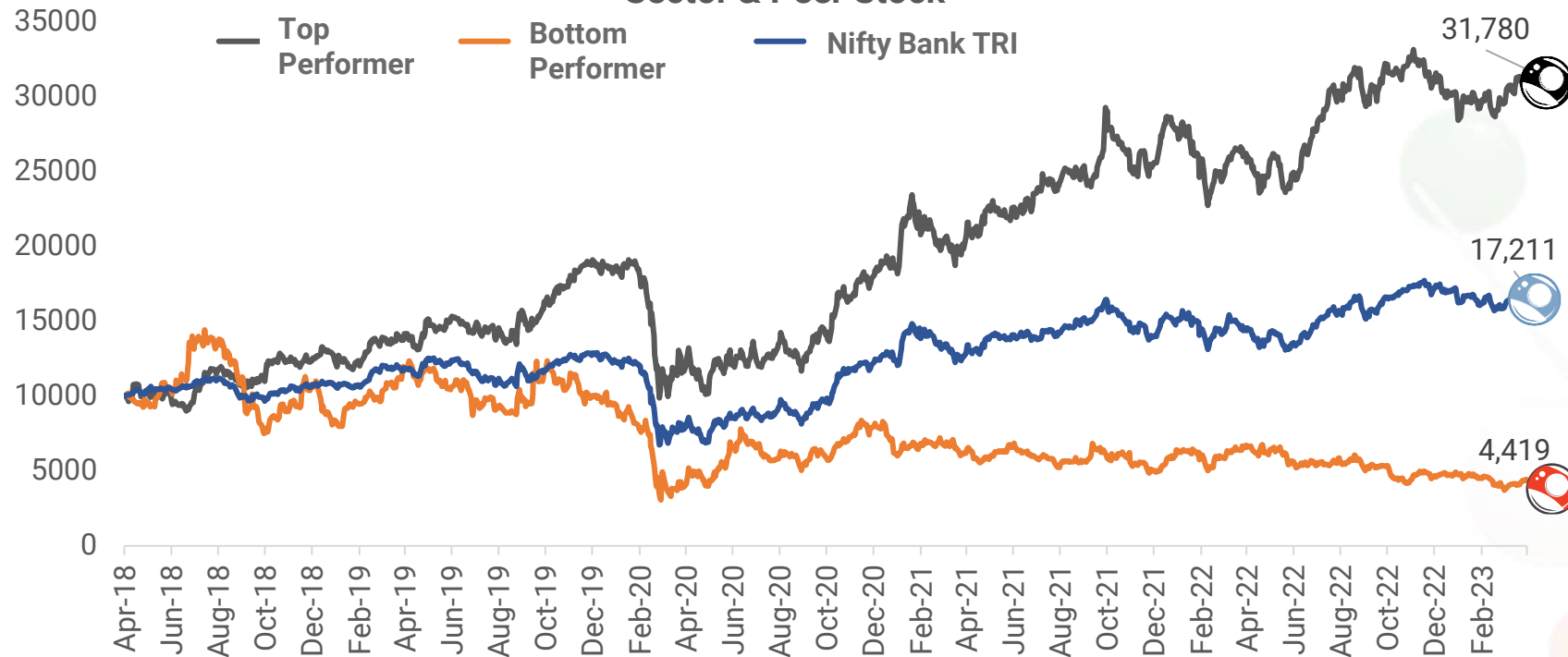
Focused
v/s
Diversified
Approach

| Stock/Sector | CAGR Returns (5 yrs) |
|------------------|----------------------|
| Top Performer | 50% |
| Bottom Performer | 7% |
| NIFTY FMCG TRI | 13% |

Source: NSE, Internal data & Calculations; Data as on 26th Apr 2023, All returns are 5 Year CAGR. Past performance may or may not be sustained in the future. Sector(s) / Stock(s)/Issuers(s) mentioned above are for the purpose of illustration to explain the concept of focused approach and should not be construed as recommendation or indication of any future returns in the company. The fund manager(s) may or may not choose to hold the stock mentioned from time to time. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s). Sectors/Stocks mentioned may or may not form part of actual portfolio of ITI Focused Equity Fund

Case Study: Right Stock Picking Makes All The Difference

Growth on Rs 10,000 invested in Top Performing Private Bank Stock v/s Sector & Peer Stock

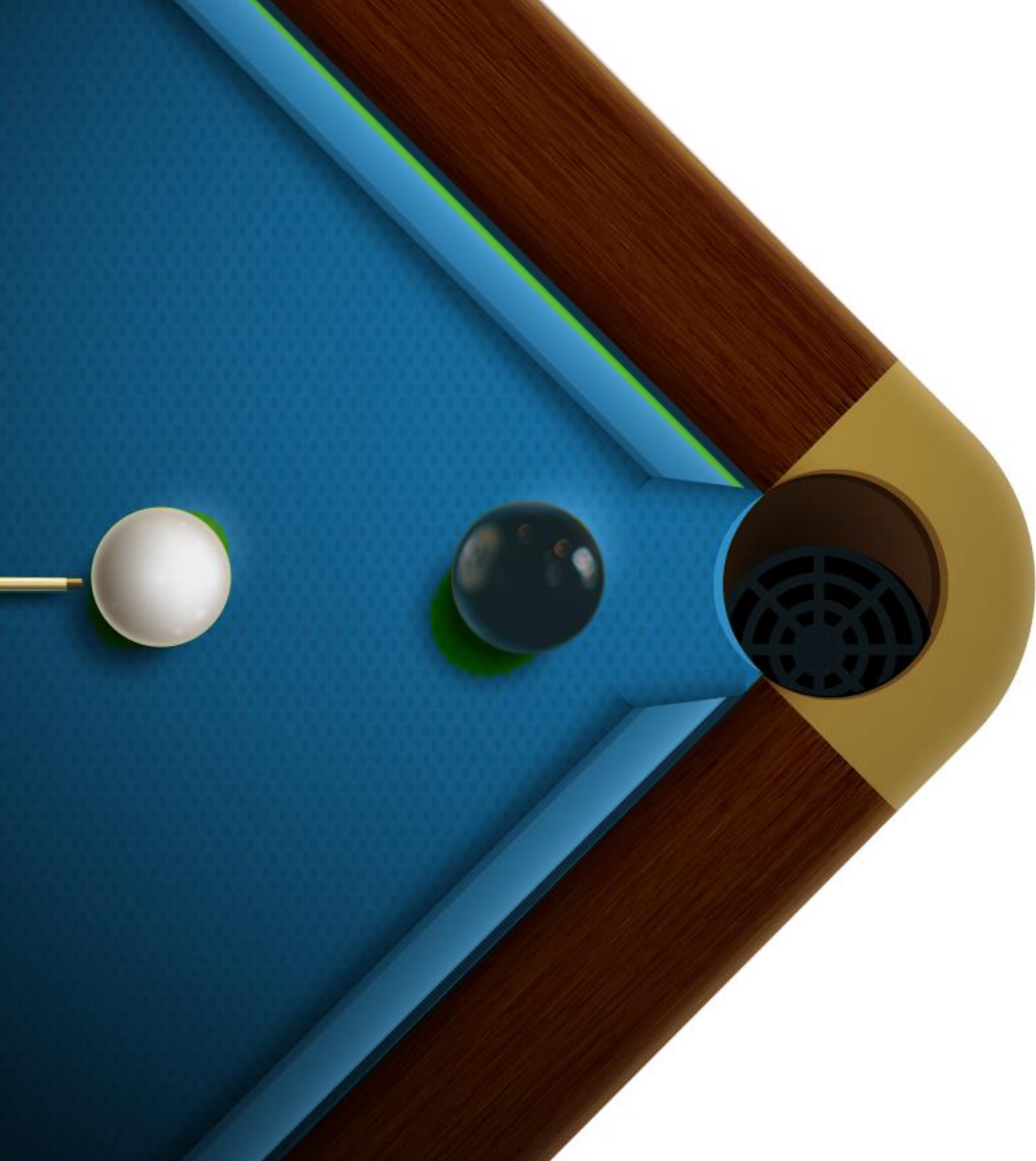


3.1x in 5 years

Focused
v/s
Diversified
Approach

| Stock/Sector | CAGR Returns (5 yrs) |
|------------------|----------------------|
| Top Performer | 26% |
| Bottom Performer | -15% |
| NIFTY Bank TRI | 11% |

Source: NSE, Internal data & Calculations; Data as on 26th Apr 2023, All returns are 5 Year CAGR. Past performance may or may not be sustained in the future. Sector(s) / Stock(s)/Issuers(s) mentioned above for the purpose of illustration to explain the concept of focused approach and should not be construed as recommendation or indication of any future returns in the company. The fund manager(s) may or may not choose to hold the stock mentioned from time to time. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s). Sectors/Stocks mentioned may or may not form part of actual portfolio of ITI Focused Equity Fund



The Opportunity to
Invest is Now



India Inc: Full Steam Ahead



**INDIA INC: FOCUS ON
LONG TERM GROWTH**



**INDIA'S CONSUMPTION
DRIVERS**



**TAILWIND FROM
GLOBAL ENVIRONMENT**



HEALTH OF ECONOMY



**INDIA RELATIVELY
BETTER PLACED**



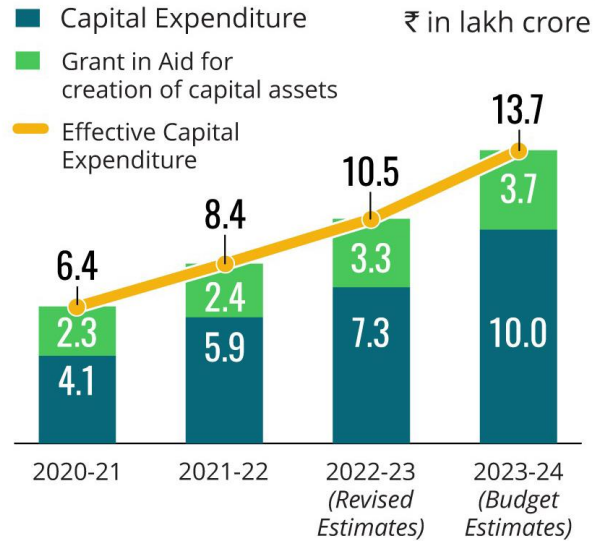
**DIGITILIZATION TO
BOOST GROWTH**

India's Focus On Long-term Growth

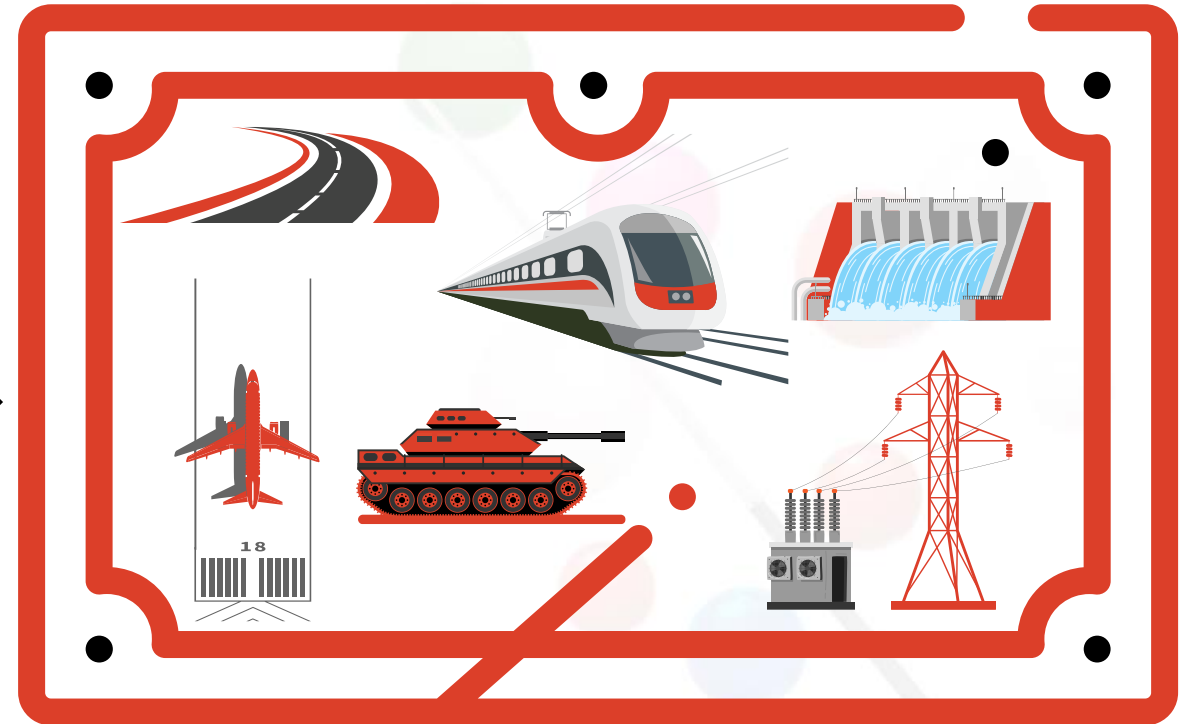
Capex which tends to have a major multiplier effect on economy is growing steadily & this bodes well for India's growth engine

Capital expenditure trends

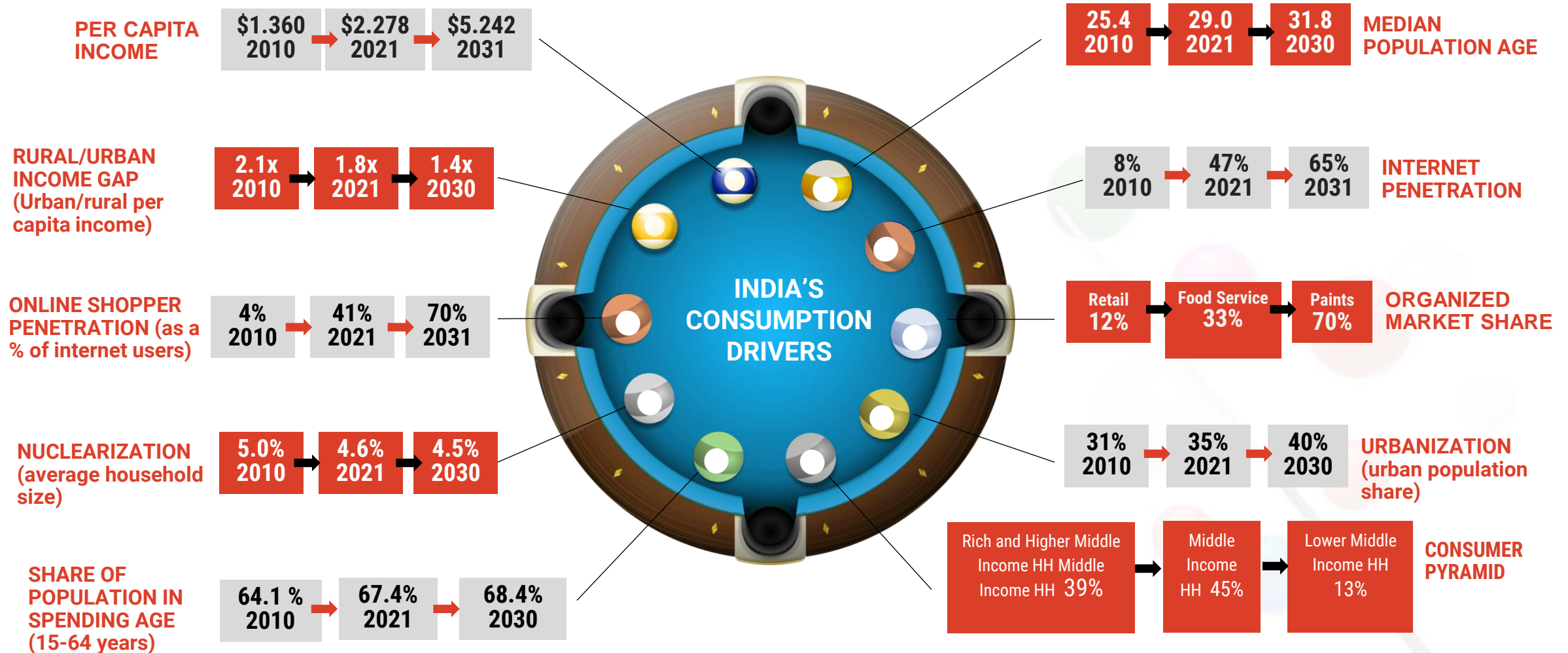
Trends in CapEx



Capital expenditure focused more towards building long-term infrastructure

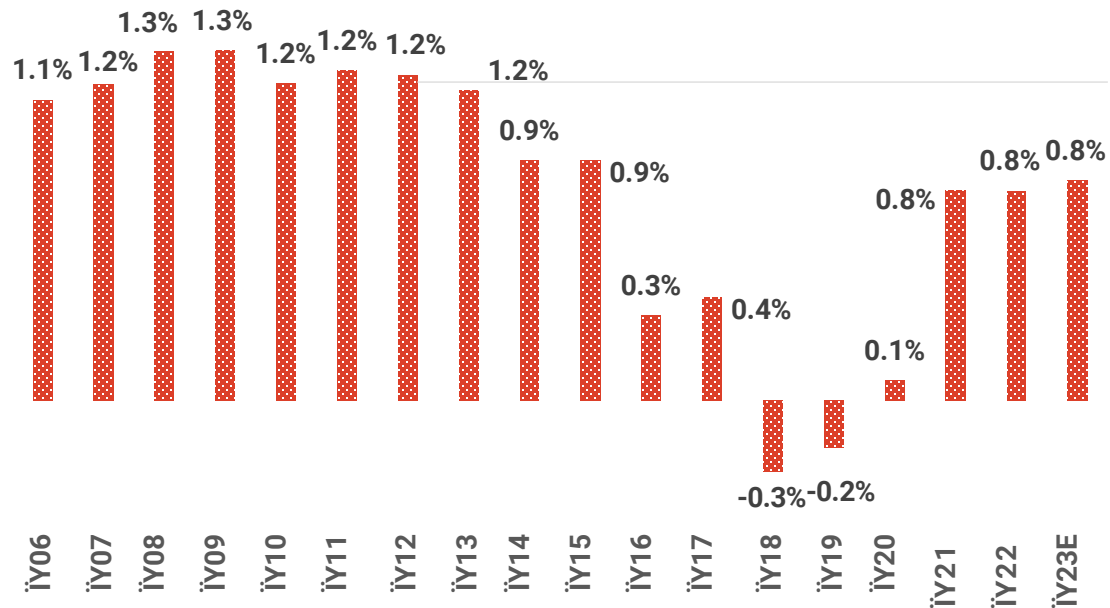


India's Consumption Drivers



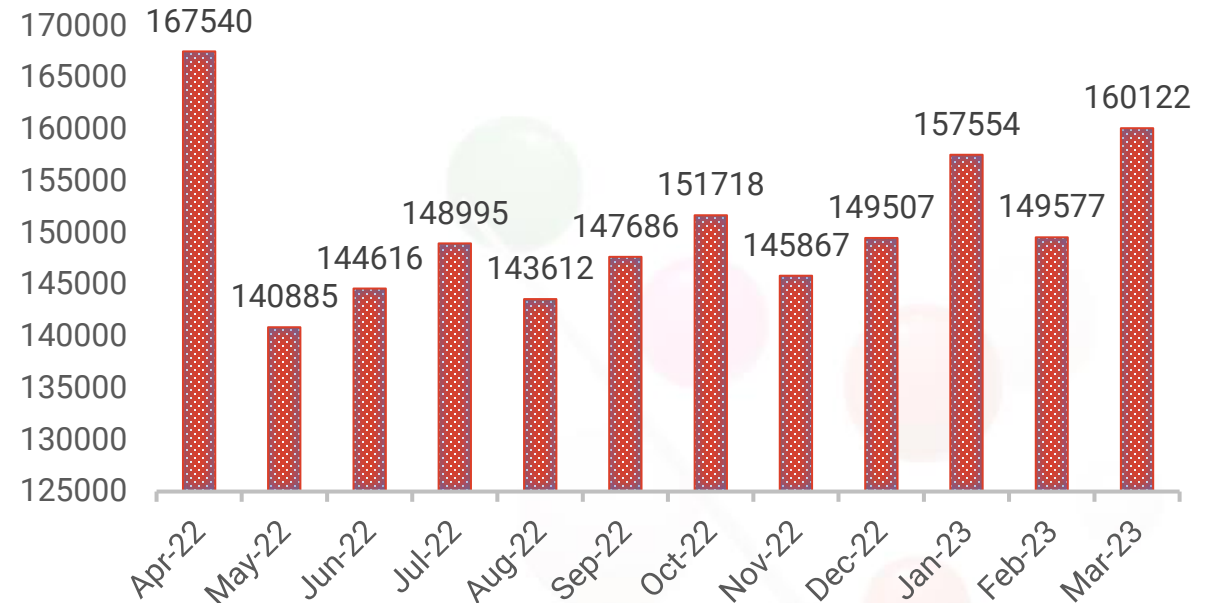
Health Of The Economy

Banking System ROA improving (credit+ investments)



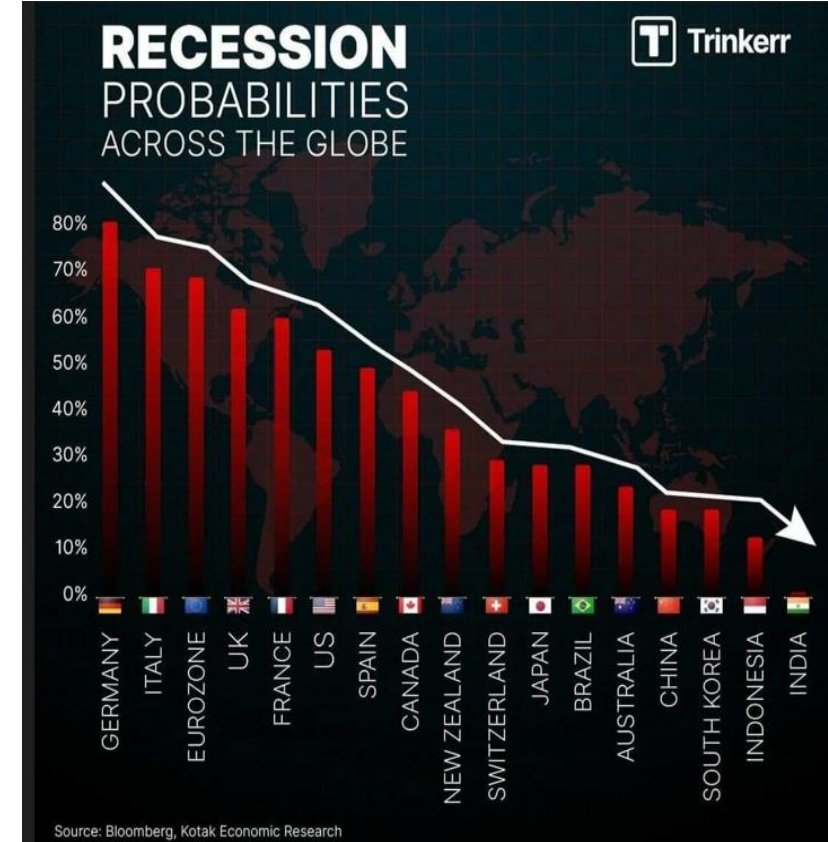
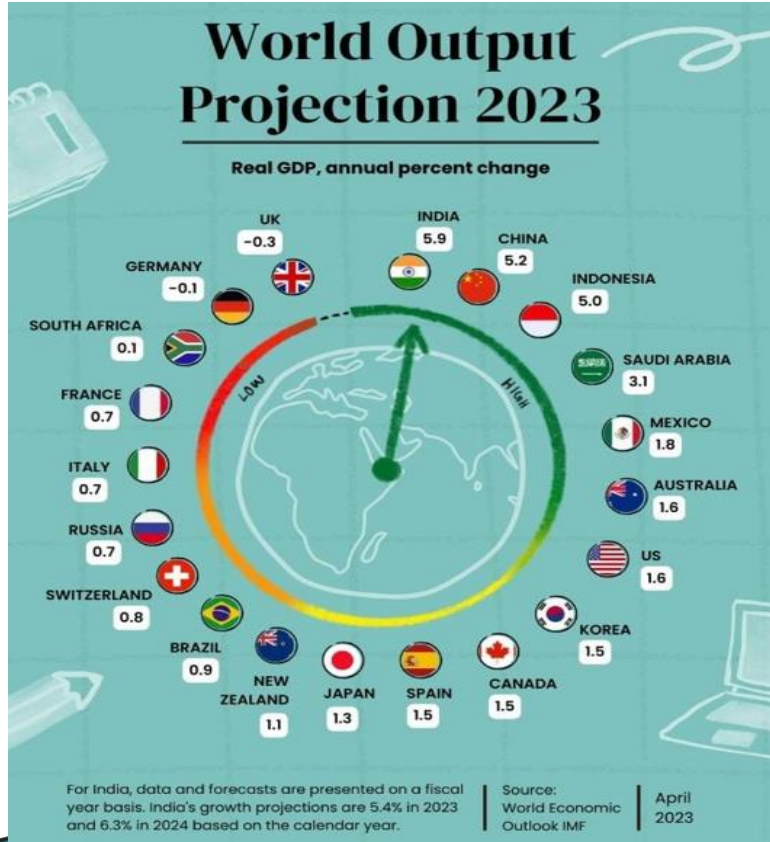
 Unlike other crisis, India is in much better shape with Corporate and Bank's balance sheet continuing to remain strong

Trends in GST collection(Rs. in crores)



 GST Collections of Rs. 1.5 Tn is New Normal

Health Of The Economy



Indian Economy Relatively Better Placed

PRODUCTION LINKED INCENTIVE

To boost domestic manufacturing & increase India Global Market Share



INSOLVENCY & BANKRUPTCY CODE & OTHER REFORMS

Provides for insolvency resolution in time bound manner



FOREX RESERVES AT ALL TIME HIGH & LOW EXTERNAL DEBT



CORPORATE SECTOR PROFITABILITY TO REMAIN STRONG

India's corporate sector profitability to remain strong



BALANCE SHEET STRENGTH

Banking & Household Balance Sheets improving



CONTINUED BENEFITS OF TAXATION REFORMS & FISCAL MGMT

Cut in Corporate Tax rates , introduction of GST & faceless tax assessment



Tailwind From Global Environment



| Companies | Investment (USD Bn) | Time Period |
|--|---------------------|-------------|
| Foxconn(Apple) Samsung, Wistron & Pegatron | 5.6 | FY 21-26 |
| Siemens Healthcare, Integris Healthcare, Poly Medicure | 0.5 | FY 21-28 |
| Nokia , Ciena, Flextronics | 1.7 | FY 22-26 |
| Nestle, Hindustan Unilever Ltd, | 1.5 | FY 22-27 |
| Daikin Group, Panasonic | 0.9 | FY 22-26 |

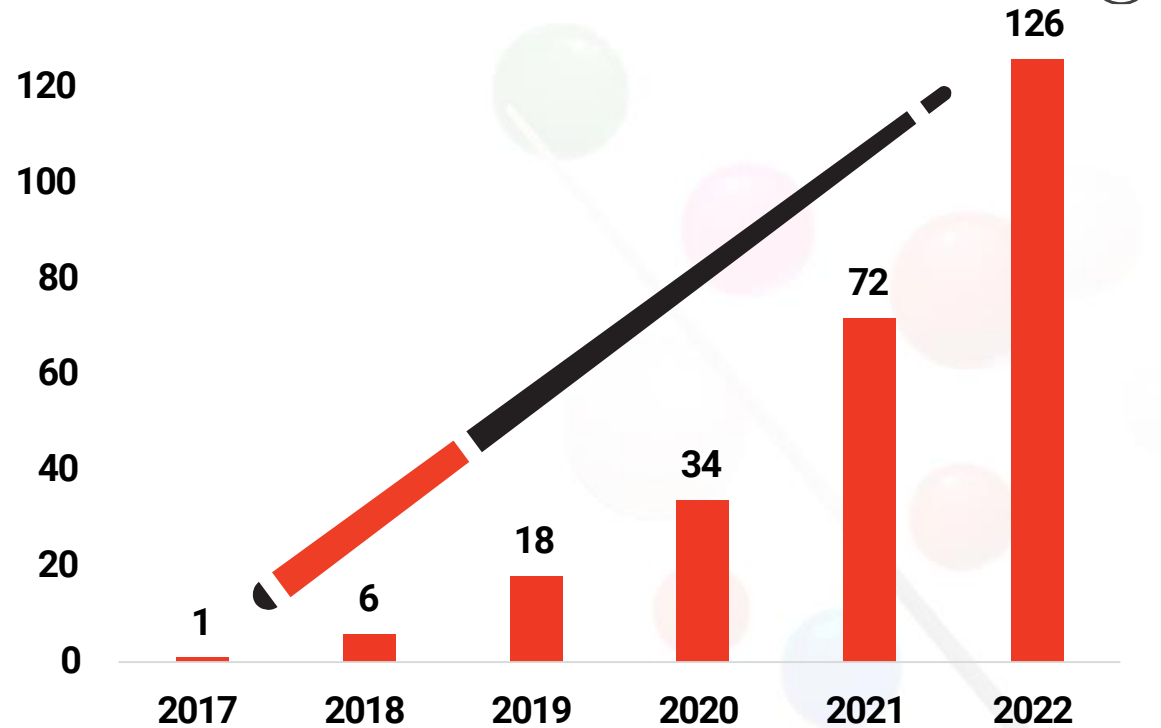


Digitalization To Boost Growth

Post COVID, the adoption of digital payments and subsequently, business shift from unorganized to organized segment has improved efficiency which bodes well for long term growth

Rise in Digital Payments

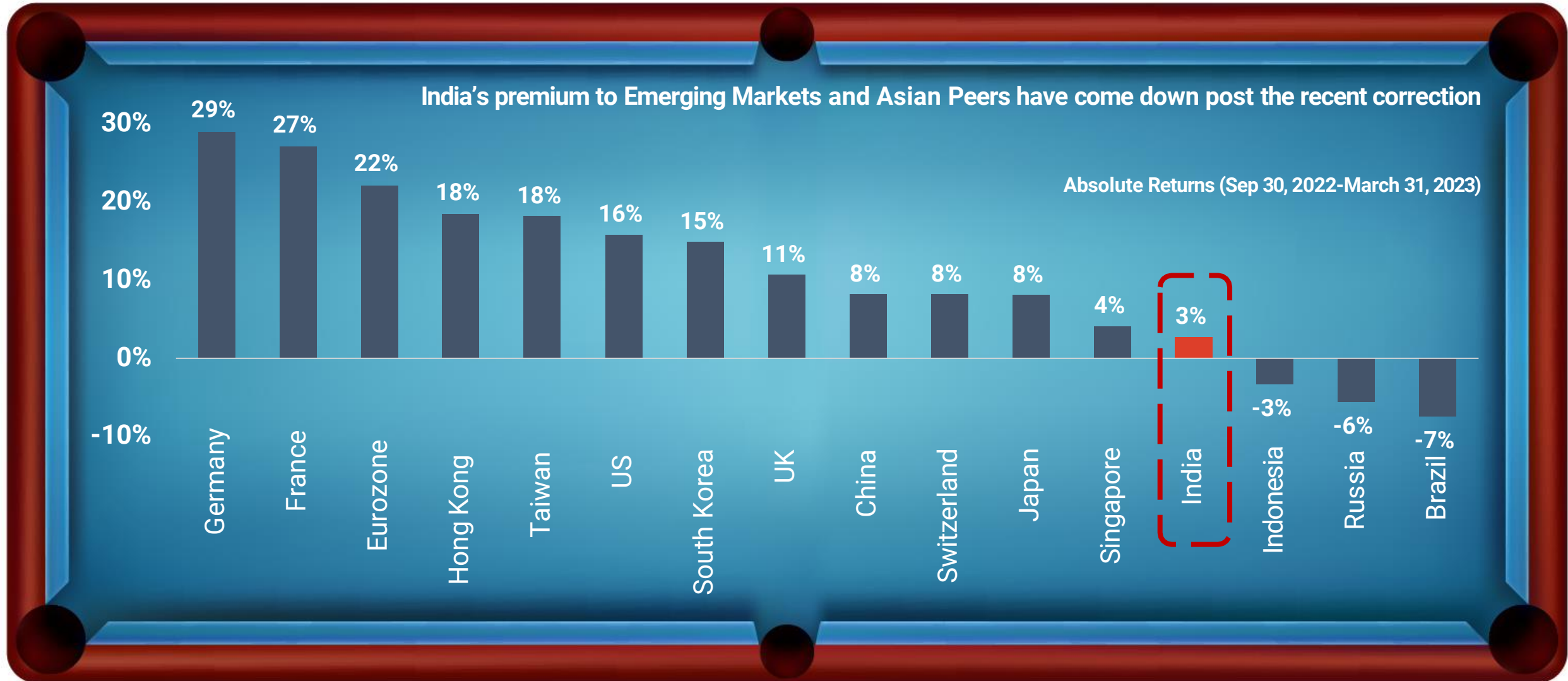
UPI Transactions (in Lakh Crs)



Valuations Moderated Post Correction

| Range | Overall NSE 500 | Large Cap (1-100) | Mid Cap (101-250) | Small Cap (251-500) |
|---------------|-----------------|-------------------|-------------------|---------------------|
| >100% | 2% | 1% | 3% | 2% |
| <100% & >50% | 6% | 6% | 7% | 4% |
| <50% & >20% | 11% | 9% | 13% | 11% |
| <20% & >5% | 10% | 13% | 9% | 8% |
| <5% & >0% | 5% | 6% | 4% | 5% |
| <0% & >-10% | 12% | 20% | 13% | 6% |
| <-10% & >-20% | 11% | 16% | 12% | 8% |
| <-20% & >-50% | 34% | 24% | 31% | 40% |
| <-50% | 10% | 5% | 7% | 15% |
| | (67%) | (65%) | (64%) | (69%) |

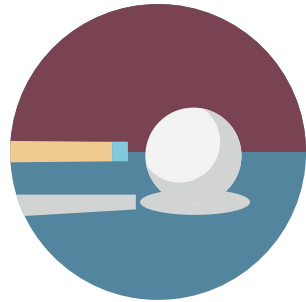
Valuations: Indian Markets Underperformed Global Markets In The Last Few Months



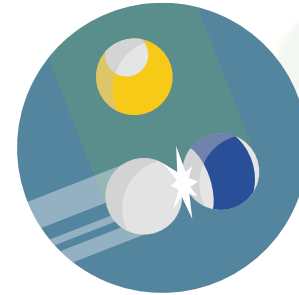
About ITI Focused Equity Fund



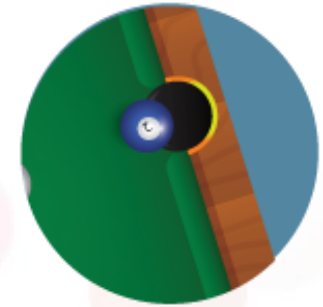
**A 'Growth'
oriented fund**



**Focused approach
of max. 30 stocks**



**Identifies opportunities
across market cap**



**Benefits from stock
selection**



Why ITI Focused Equity Fund?



-  **Optimally Positioned:** Distinct portfolio relative to broader market indices with potential for alpha creation
-  **Concentrated Portfolio:** Exposure to hand-picked high-conviction ideas
-  **Leverage of Research Expertise:** Experienced fund management team tracking large-set of companies
-  **Portfolio Diversification:** Maximum of 30 stocks across sectors and market capitalization



Features of ITI Focused Equity Fund



Compounding Picks

- Companies having better earnings prospects & faster growth
- Efficient Capital Management & Management Quality



Sector Agnostic

- Bottom-Up approach to Investing
- Focus on Business fundamentals during stock selection



Market Cap Agnostic

- No specific constraint on Market Cap
- Proportion to be merely governed by risk reward opportunity
- Risk Management Framework to be a guard rail



Better Risk Reward

- Flexibility to shift gears according to opportunities



Concentrated Portfolio

- Upper limit capped to 30 stocks and portfolio
- Portfolio to reflect Fund Manager's conviction

Note : Investors must refer the Scheme Information Document (SID) for the objective of the scheme, asset allocation & risk factors. Investment decision made will be in conformity with the portfolio characteristics/process mentioned in SID

ITI Focused Equity Fund – Portfolio Creation Approach



Strong size of Opportunity



Areas where it involves high technology intensity and entry barriers



Companies able to maintain leadership augmenting capacities, market share & newer capabilities in their space



Turnaround candidates vitiated by temporary events like duties, unabated imports, labor problems etc



Focus on stocks which have characteristics & management capability to sustain high growth resulting into their ability to outgrow peers



**Stocks that transgress from being a small cap to a midcap, &/or from a midcap to a large cap
Functionally these buckets will be strongest buckets of wealth creation**



New Age Companies

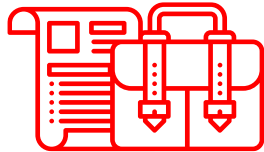
ITI Focused Equity Fund – Portfolio Creation Approach

New Age Companies

| Sector | New Business Models | Innovating Companies | Adopters of Innovation |
|-----------------|--------------------------------|--|--|
| Automobiles | Electric Vehicle Manufacturers | Battery and accessories manufacturers | Existing car manufacturers that adapt new technology and strong partnership. |
| Energy | Renewable energy | Grid providers | Existing power manufacturers shifting to renewables. |
| Pharmacy | E-pharmacy players | Pharma manufacturers and diagnostic chains | Brick & Mortar chemist adopting to e-pharmacy business model |
| Shared Mobility | Ride sharing players | Vehicle manufacturers | Existing car fleet providers adopting to new age transportation |

Note: Portfolio Allocation of the scheme will be based on the prevailing market conditions and is subject to changes depending on the fund manager's view of the equity markets

ITI Focused Equity Fund – Portfolio Creation Approach

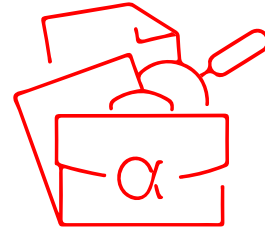


Core Portfolio

Allocation: 40%

Steady compounders generating reasonable returns with low volatility

Horizon: Medium term (3-5 years)



Alpha Portfolio

Allocation: 40%

Companies that are market share gainers

Horizon: (18-24 months)



Emerging Themes New Age Companies

Allocation: 20%

Generating break-out growth going forward

Horizon : Long term (5+years)

Current Investment Themes Followed



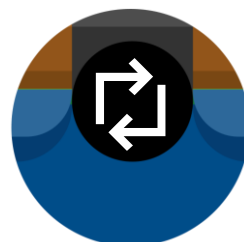
Financialization of savings

Banks, Life Insurance Companies, Capital market plays, Asset management companies, Fin-tech



Consumer leverage and demographics

Consumer companies (FMCG+ Durables); Rural focused companies, Retail



Capex recovery cycle and make in India

Capital goods, Construction, Cement, Industrials, Corporate banks, Power utilities, Auto, Chemicals, Consumer durables



Real estate and home building

Real estate, Pipes, Ceramics, Tiles, Plywood, Consumer durables, Cement



Export and China +1 opportunity

Information technology, Pharmaceuticals, Chemicals

How Does ITI Focused Equity Fund Help Build Wealth?



The fund aims to identify and invest in **high conviction stocks**



An **Investment Universe** will be **monitored** and may comprise a subset of at least 100 stocks



The fund aims to benefit from **select ideas**



Concentrated & Focused Fund Portfolio that will not have more than 30 stocks
An optimum weight allocation shall help generate more wealth



The fund may seek tactical allocations by identifying **future trends**

ITI Focused Equity Fund - Asset Allocation Matrix

| Instruments | Indicative allocations (% of net assets) | | Risk Profile |
|--|---|---------|-----------------|
| | Maximum | Minimum | High/Medium/Low |
| Equity and Equity Related Instruments (of not exceeding 30 companies across market capitalization) | 100% | 65% | High |
| Listed Preference Shares | 10% | 0% | Medium to High |
| Debt and Money Market Instruments | 35% | 0% | Low to Medium |
| Units issued by REITs and InvITs | 10% | 0% | Medium to High |

Fund Snapshot – ITI Focused Equity Fund

1 Type of Scheme
An open ended equity scheme investing in maximum 30 stocks across market caps

2 Minimum Application Amount
Rs 5,000/- and in multiples of ` Rs 1/- thereafter with no upper limit

3 Plans Available
The Scheme offers following plans: Regular Plan and Direct Plan. Both the plans offer following Options : Growth and Income Distribution cum Capital Withdrawal (Payout and Reinvestment)

4 Load Structure
Entry Load: Nil
Exit Load: Less than one year – 1%;
Greater than or equal to one year - Nil

5 Benchmark
Nifty 500 TRI

6 Scheme Objective
The objective of the scheme is to generate long term capital appreciation by investing in equity and equity related instruments of maximum 30 stocks across the market caps. However, there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

ITI Focused Equity Fund – Who Should Invest?



Investors with a long-term investment horizon of 5 years and above



Investors having relatively higher risk appetite and willing to take exposure to equities



Investors looking to invest in Focused Portfolio as a part of their Asset Allocation



Investors seeking potential higher returns with ability to with-stand higher volatility

Meet The Fund Managers

Mr Dhimant Shah
Senior Fund Manager



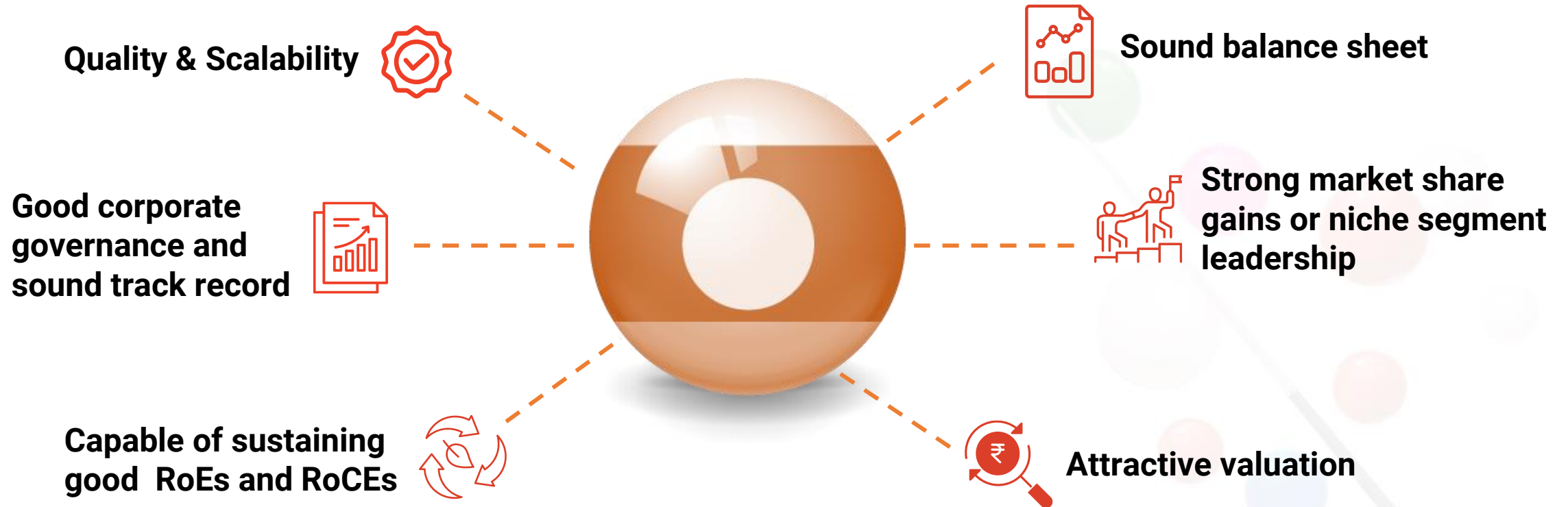
- He joined ITI Asset Management Ltd. in Aug 2022 & has over 26 years of experience in capital markets.
- His previous assignment was as Head Research & Co Fund Manager-Equities with Oneup Finance Pvt Ltd. He was with Principal PNB AMC (India) Pvt. Ltd prior to that.
- Mr. Dhimant Shah is a Chartered Accountant & Commerce Graduate from Mithibai College, Mumbai University.
- He is passionate about following India Growth story through learning deeply about and investing in same.



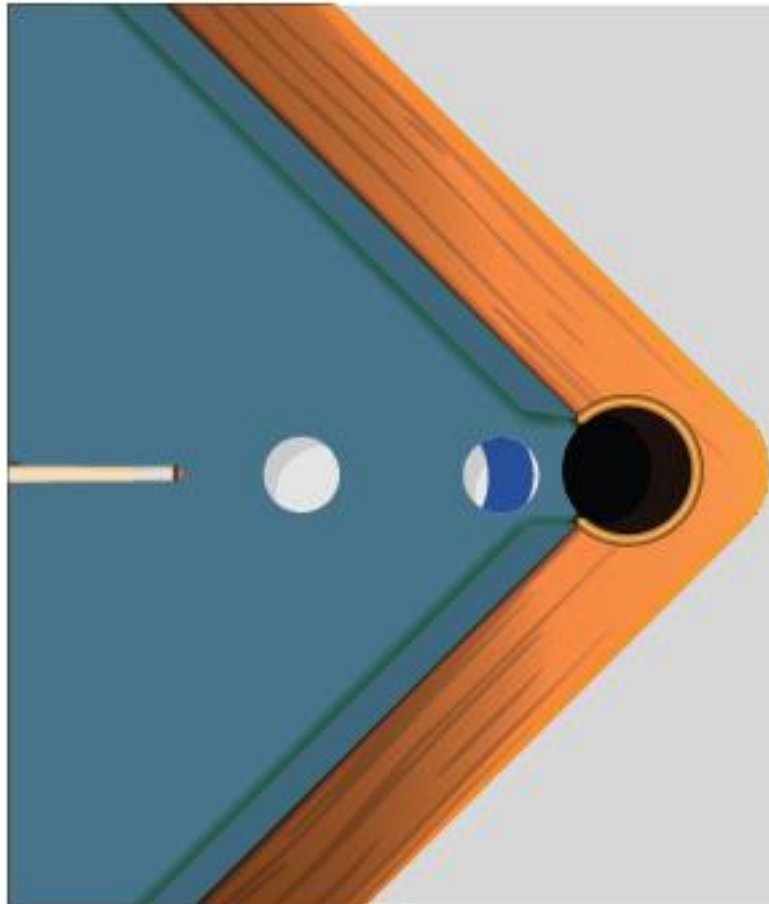
Mr Rohan Korde
Fund Manager

- He joined ITI Asset Management Ltd. in June 2019 and has over 19 years of work experience in capital markets.
- His Past Experience: September 2017 – May 2019 with BOB Capital Markets as Vice President Research.
- Mr. Korde holds a degree in Masters in Management Studies (Finance) from Mumbai University, and a Bachelor of Commerce from RA Podar College, Mumbai.
- His focus has been on fundamental research on investment ideas across various sectors and industries.

Process Of ITI Focused Equity Stock Selection Which Companies To Bet On?



ITI Focused Equity Fund – Process



Broad Universe : Nifty 500

Selection of around 500+ investible ideas from the domestic stock-scape studied by team of analysts.



Internal filters

Selection of around 160+ investible ideas out of 500+ ideas through internal filters.



Analyst Conviction

60+ ideas based on risk return evaluation through bottom up fundamental analysis.



Focused Fund

Identify and evaluate to form a portfolio of around 30 stocks which have Core, Alpha and New Age companies.
Active portfolio management for suitable weights and appropriate entry/exit levels.



Equity Research &
Fund Management

Our Equity Investment Philosophy

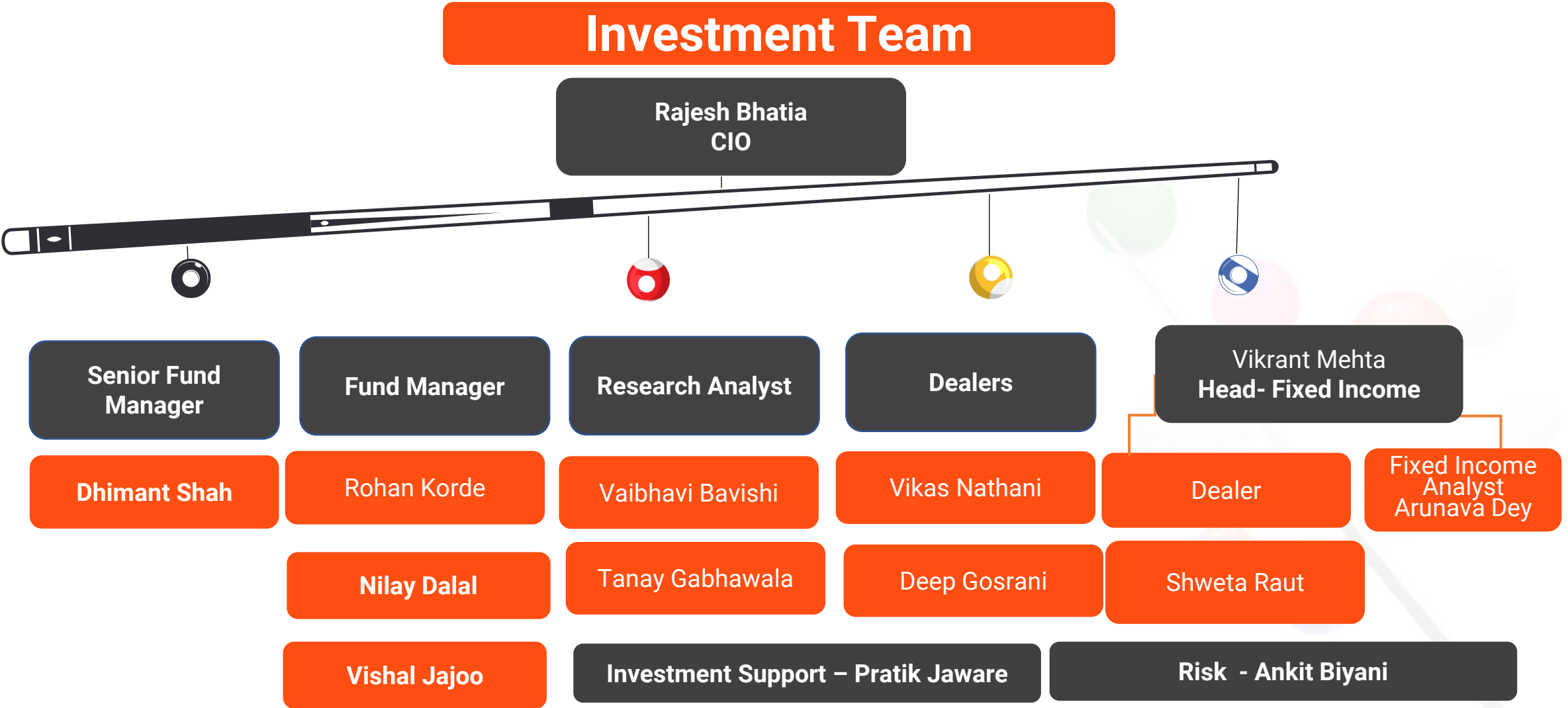


The above philosophy seeks to generate long term wealth for our investors.

Broad Investment Construct



ITI Investment Team & Risk



Riskometer and Disclaimers

www.itiamc.com

Toll Free Number 1800 266 9603 | Email mfassist@itiorg.com

All figures and data given in the document are dated unless stated otherwise. In the preparation of the material contained in this document, the AMC has used information that is publicly available, including information developed in-house. However, the AMC does not warrant the accuracy, reasonableness and/ or completeness of any information.

The information provided is not intended to be used by investors as the sole basis for investment decisions, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific investor. Investors are advised to consult their own legal tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of ITI Mutual Fund. The information contained herein should not be construed as a forecast or promise nor should it be considered as an investment advice.

The AMC (including its affiliates), the Mutual Fund, the trust and any of its officers, directors, personnel and employees, shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner.

Product Labelling:

This product is suitable for investors who are seeking*:

- Capital appreciation over long term
- Investments in a concentrated portfolio of equity & equity related instruments of up to 30 companies

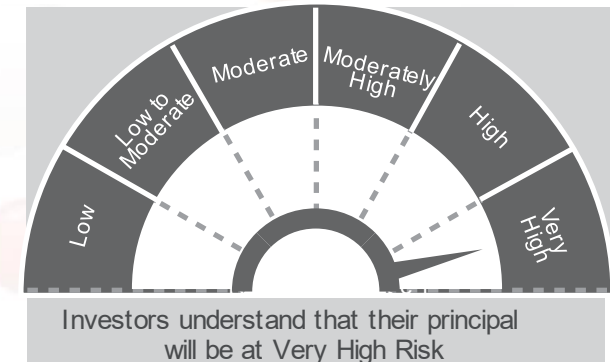
*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

Disclaimer:

The riskometer is based on the internal assessment of the Scheme characteristics & model portfolio and same may vary post NFO when actual investments are made. AMC will evaluate riskometer on a monthly basis and disclose along with portfolio disclosure.

The information herein alone is not sufficient and should not be used for the development or implementation of an investment strategy or construed as investment advice. Kindly read the Scheme Information Document, risk factors therein and the scheme presentation for full information about the scheme.

Riskometer



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