

# Samco Flexi Cap Fund

(An open-ended dynamic equity scheme investing across large cap, mid cap & small cap stocks)

**Invest in HexaShield Tested efficiently managed High Quality, Growth companies**

# Disclaimer

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

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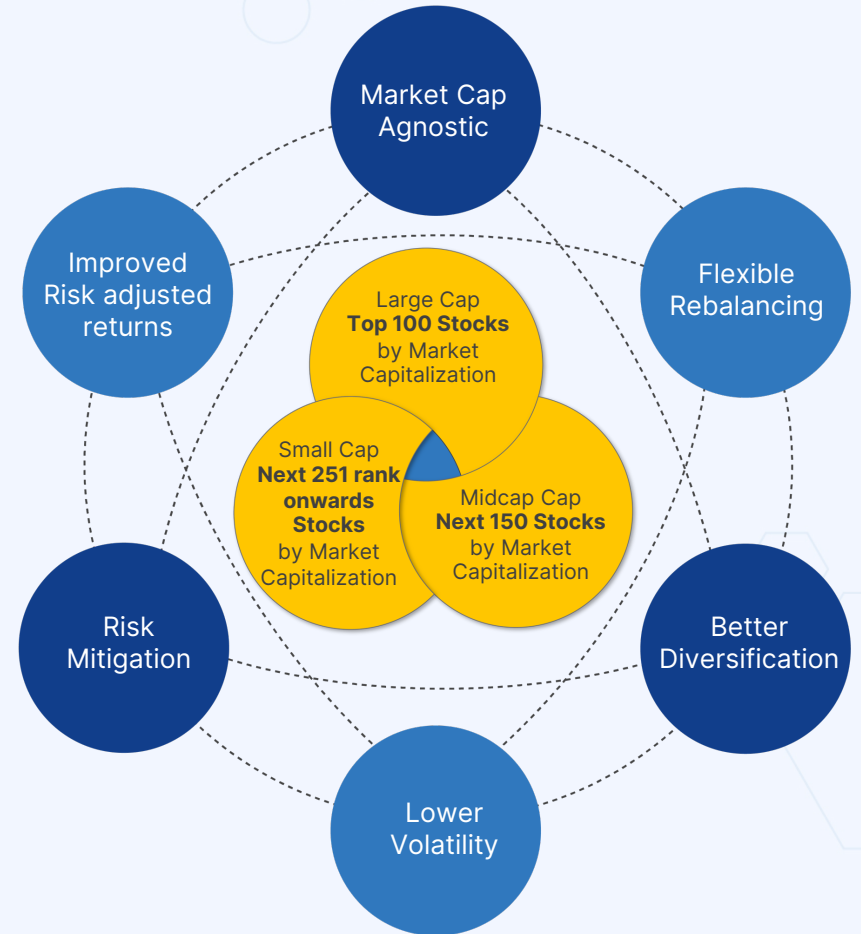
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# Why Flexi Cap Funds?

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- 1 Invest across market capitalizations – Large, Mid and Small Cap stocks
- 2 Diversified exposure to various companies in a single fund
- 3 Appropriate management of risks by spreading investments across market cap segments
- 4 Dynamic allocation based on market conditions and economic trends
- 5 Flexibility to allocate assets in stocks offering a balanced growth potential

# Flexi Cap Fund Features



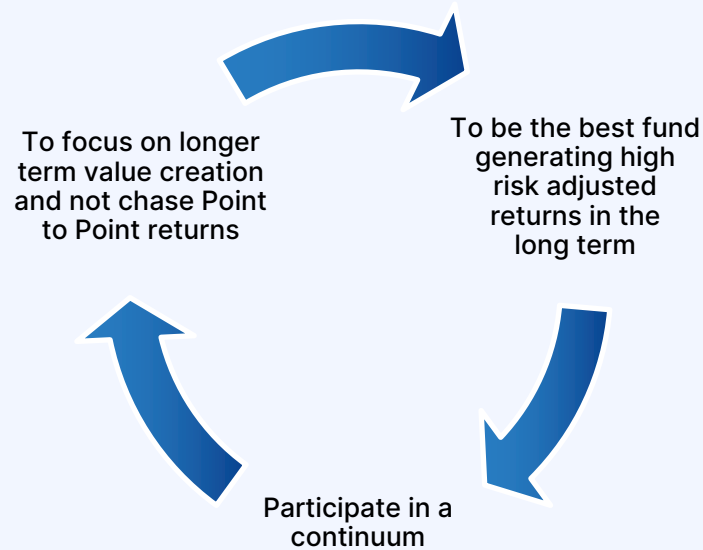
# Our Strategy

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# Samco Flexi Cap Fund's Goal

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# HexaShield Framework

*A proprietary investment screening framework to build a universe of stocks that pass six rigorous tests*

Competitive Strength and  
Pricing Power Tests



Corporate Governance  
and Leadership Tests



Balance Sheet and  
Insolvency Tests



Cash Flow Tests



Reinvestment and Growth  
Tests



Regulatory  
Tests





# HexaShield Highlights

## Diverse Universe

A diverse universe set with companies from **different market capitalizations** and **industry segments** from the Indian equity markets

## Robust Screening Framework

A comprehensive screening process backed by inhouse developed **HexaShield Framework** which asses every company in the target universe on six parameters to ensure robust businesses are included in the portfolio.

## Concentrated Portfolio

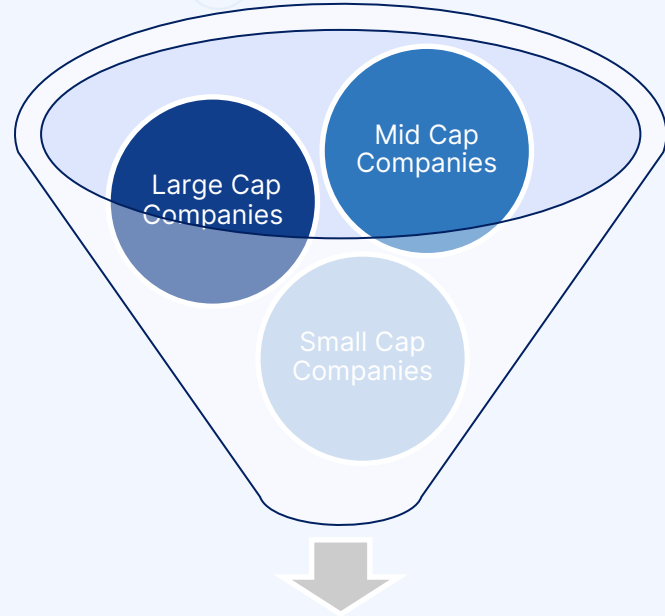
A focused **India only domestic portfolio** comprising of **~25** qualitatively superior companies with strong underlying fundamentals and industry tailwinds.

## Optimal Churn

An **agile allocation strategy** with an approach to align the portfolio with winners and prune down the losers on a periodic basis as per evolving market dynamics

## Risk Management

A prudent portfolio construction process backed by **internal screening models** to ensure effective risk management of the capital deployed.

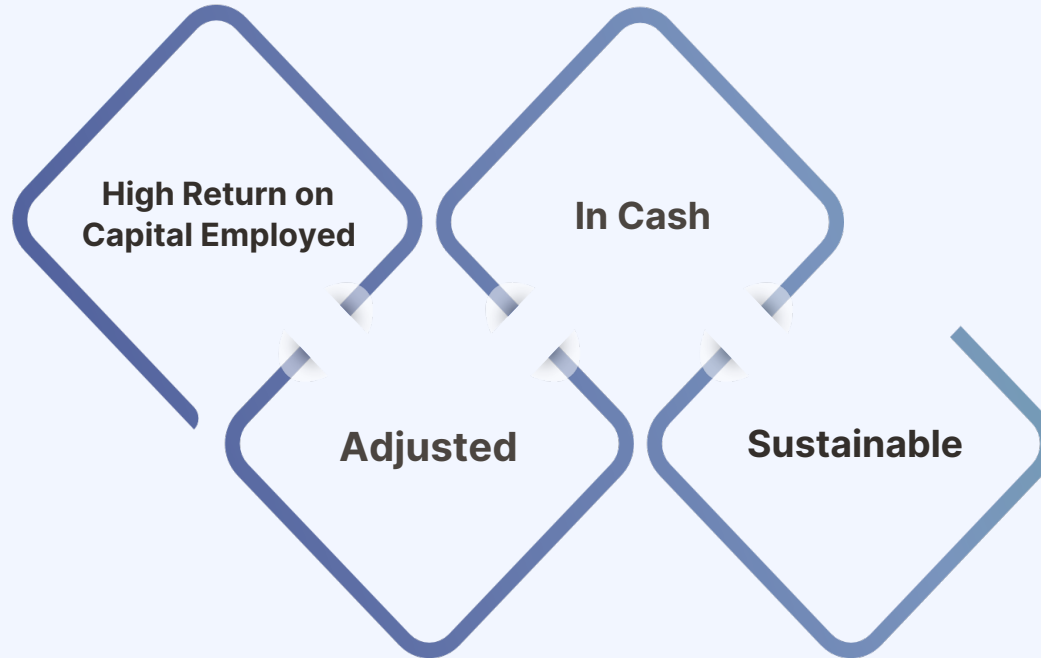


# Our Investible Universe

**Universe of 125+ HexaShield Tested  
companies out of 5000+ Indian  
Listed Companies**

# HexaShield Tested Efficient Companies

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# Characteristics of HexaShield Companies

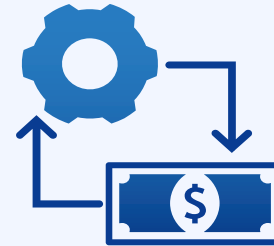
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**Dominant franchises  
which are Price Setters**



**Strong cash flow  
generators with large  
market opportunity**



**Fast growing businesses  
with high rate of re-  
investment**



**Institutions backed by  
experienced leaders and  
management**

# Let winners ride & Cut losers

## Peter Lynch: Not Cutting the Flowers and Watering the Weeds

- **Not Cutting the Flowers:**
  - ❖ **Hold on to Winners:** Retain stocks that are performing well.
  - ❖ **Long-Term Growth:** Allow successful investments to grow and compound over time.
- **Not Watering the Weeds:**
  - ❖ **Avoid Holding Losers:** Don't keep investing in underperforming stocks hoping they will recover.
  - ❖ **Recognize Mistakes:** Be willing to cut losses and reallocate resources.

# Exit Strategy



Stock subsequently fails  
HexaShield Test



More compelling opportunity



Winners hit the 10% SEBI  
prescribed ceiling



Significant relative  
underperformance

# Portfolio Strategy Summary

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Around 25 Stock Portfolio



Efficient HexaShield Tested Companies



Optimal Diversification - Market Cap Agnostic



Dynamic Monitoring



Holding Winners and Cutting Losers



# Samco Flexi Cap Fund Portfolio Update

as of August 2024, Factsheet

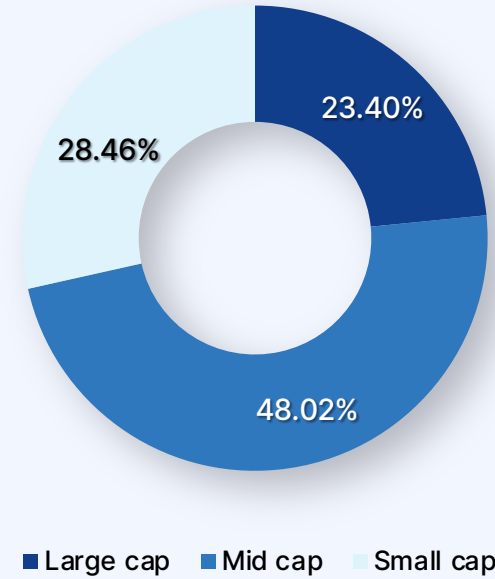




# Samco Flexi Cap Fund Portfolio

Samco Flexi Cap Fund	% to Net Assets	Samco Flexi Cap Fund	% to Net Assets
Emami Ltd	7.39%	Oracle Financial Services Software Ltd	3.30%
KEI Industries Ltd	5.84%	360 One WAM Ltd	3.27%
Motilal Oswal Financial Services Ltd	5.76%	GlaxoSmithKline Pharmaceuticals Ltd	3.16%
Bharat Electronics Ltd	5.63%	Bajaj Auto Ltd	3.13%
Colgate Palmolive (India) Ltd	5.38%	Apar Industries Ltd	3.03%
Nippon Life India Asset Management Ltd	5.27%	Cummins India Ltd	2.89%
Swan Energy Ltd	5.03%	Hindustan Zinc Ltd	2.79%
Hindustan Aeronautics Ltd	4.90%	Honeywell Automation India Ltd	2.72%
Coal India Ltd	4.48%	Hero MotoCorp Ltd	2.47%
Godfrey Phillips India Ltd	4.24%	Suven Pharmaceuticals Ltd	2.47%
Voltas Ltd	4.23%	Coromandel International Ltd	2.30%
Solar Industries India Ltd	4.14%	PCBL Ltd	2.21%
Amara Raja Energy & Mobility Ltd	3.85%		

# Market Capitalization (% of Allocation)



# Portfolio Sectoral Construction

## Industry Allocation of Equity Holding (As a % of Net Assets)

Capital Markets - 14.3%	Personal Products - 12.77%	Industrial Products - 8.73%	Pharmaceuticals & Biotechnology - 5.63%	Diversified - 5.03%	Consumer Durables - 4.23%		Auto Components - 3.85%
				Consumable Fuels - 4.48%	IT - Software - 3.3%	Non-Ferrous Metals - 2.79%	Industrial Manufacturing - 2.72%
	Aerospace & Defense - 10.53%	Chemicals & Petrochemicals - 6.35%	Automobiles - 5.6%	Cigarettes & Tobacco Products - 4.24%	Electrical Equipment - 3.03%	Fertilizers & Agrochemicals - 2.3%	

# Robust Fundamentals

Company Name	Weight	ROE (%) <sup>1</sup>	PE (x) <sup>2</sup>	OPM (%) <sup>3</sup>	ROCE (%) <sup>4</sup>	Debt/ Equity <sup>5</sup>
Emami Ltd	7.39%	29.95	49	26.53	31.72	0.04
KEI Industries Ltd	5.84%	20.25	67.53	10.46	27.21	0.05
Motilal Oswal Financial Services Ltd	5.76%	32.59	16.01	58.65	20.69	1.58
Bharat Electronics Ltd	5.63%	26.27	51.42	25.37	34.61	0
Colgate Palmolive (India) Ltd	5.38%	74.52	70.23	34.01	96.8	0.04
Nippon Life India Asset Management Ltd	5.27%	29.54	36.66	61.74	36.24	0
Swan Energy Ltd	5.03%	7.03	57.07	18.89	8.28	0.55
Hindustan Aeronautics Ltd	4.90%	28.89	39.43	31.98	38.88	0
Coal India Ltd	4.48%	52.04	8.54	32.8	63.59	0.08
Godfrey Phillips India Ltd	4.24%	18.97	37.73	19.92	22.17	0.08
Voltas Ltd	4.23%	4.4	131.87	4.1	8.51	0.13
Solar Industries India Ltd	4.14%	30.9	106.89	24.55	32.47	0.34
Amara Raja Energy & Mobility Ltd	3.85%	14.02	29.52	14.28	18.74	0.02
Oracle Financial Services Software Ltd	3.30%	28.98	41.93	45.22	39.54	0.01
360 One WAM Ltd	3.27%	24.47	43.49	55.18	14.47	2.75

# Robust Fundamentals

Company Name	Weight	ROE (%) <sup>1</sup>	PE (x) <sup>2</sup>	OPM (%) <sup>3</sup>	ROCE (%) <sup>4</sup>	Debt/ Equity <sup>5</sup>
GlaxoSmithKline Pharmaceuticals Ltd	3.16%	37.32	63.1	28.38	51.33	0.01
Bajaj Auto Ltd	3.13%	26.48	38.28	19.79	33.53	0.07
Apar Industries Ltd	3.03%	26.83	43.31	9.49	43.96	0.12
Cummins India Ltd	2.89%	28.11	60.49	20.85	35.23	0.02
Hindustan Zinc Ltd	2.79%	55.19	25.22	47.89	46.25	0.57
Honeywell Automation India Ltd	2.72%	14.76	84.13	15.25	19.85	0.02
Hero MotoCorp Ltd	2.47%	21.95	27.99	13.97	29.09	0.03
Suven Pharmaceuticals Ltd	2.47%	14.11	117.36	33.96	18.78	0.03
Coromandel International Ltd	2.30%	18.89	35.25	10.23	25.98	0.05
PCBL Ltd	2.21%	16.15	38.61	16.42	14.16	1.53
	<b>Average</b>	<b>28.24</b>	<b>52.32</b>	<b>28.27</b>	<b>33.45</b>	<b>0.30</b>

Source – Internal Research. The above financial analysis ratio do not constitute any research report/recommendation of the same. The fund manager(s) may or may not choose to hold the stock mentioned from time to time.

<sup>1</sup>**Return on Average Equity (ROE):** Return on average equity is a profitability ratio that measures the amount of net income compared to the average shareholders' equity of a company.

<sup>2</sup>**Price-to-Earnings (P/E):** The price-to-earnings (P/E) ratio is the proportion of a company's share price to its earnings per share.

<sup>3</sup>**Operating Profit Margin (OPM):** Operating Profit Margin is a profitability or performance ratio that reflects the percentage of profit a company produces from its operations before subtracting taxes and interest charges.

<sup>4</sup>**Return on Average Capital Employed (ROCE):** The return on average capital employed (ROCE) is a financial ratio that shows profitability versus the investments a company has made in itself.

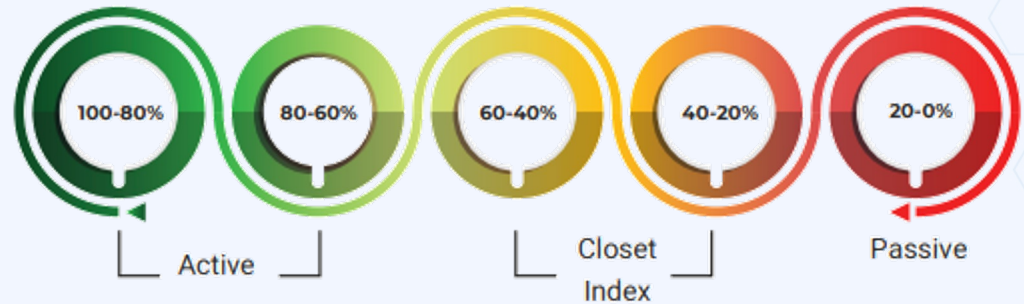
<sup>5</sup>**Debt to Equity Ratio:** The debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage and is calculated by dividing a company's total liabilities by its shareholder equity.

# Active Share

## What is Active Share?

*Active Share measures the fraction of a portfolio (based on position weights) that differs from the benchmark index. The Active Share measure was developed by Martijn Cremers and Antti Petajisto, both Yale professors.*

A highly active strategy with  
**no index hugging** + **distinct portfolio vs benchmark** + **optimal churn as per evolving market dynamics**



# Samco Flexi Cap Fund Active Share

A truly actively managed scheme with a **95.27%** active share and top 10 holdings entirely distinct from the benchmark

Samco Flexi Cap Fund - Top 10	Weightage	Nifty500 - Top 10	Weightage
Emami Ltd	7.39%	HDFC Bank Ltd.	6.41%
KEI Industries Ltd	5.84%	Reliance Industries Ltd.	5.31%
Motilal Oswal Financial Services Ltd	5.76%	ICICI Bank Ltd.	4.50%
Bharat Electronics Ltd	5.63%	Infosys Ltd.	3.65%
Colgate Palmolive (India) Ltd	5.38%	ITC Ltd.	2.41%
Nippon Life India Asset Management Ltd	5.27%	Tata Consultancy Services Ltd.	2.40%
Swan Energy Ltd	5.03%	Larsen & Toubro Ltd.	2.25%
Hindustan Aeronautics Ltd	4.90%	Bharti Airtel Ltd.	2.21%
Coal India Ltd	4.48%	Axis Bank Ltd.	1.74%
Godfrey Phillips India Ltd	4.24%	State Bank of India	1.63%

# Portfolio Liquidity

The percentage of portfolio which can be liquidated in a day is **99.88%**

Samco Flexi Cap Fund	Liquidity	Samco Flexi Cap Fund	Liquidity
Amara Raja Energy & Mobility Ltd	0.076	Oracle Financial Services Software Ltd	0.058
Bajaj Auto Ltd	0.043	360 One WAM Limited	0.252
Bharat Electronics Ltd	0.031	Cummins India Ltd	0.063
Coal India Ltd	0.046	KEI Industries Limited	0.297
Emami Ltd	0.167	Motilal Oswal Financial Services Ltd	0.438
Apar Industries Ltd	0.221	National Aluminium Company Ltd	0.060
Glaxosmithkline Pharmaceuticals Ltd	0.460	NMDC Ltd	0.463
Godfrey Phillips India Ltd	0.148	Nippon Life India Asset Management Limited	0.124
Godawari Power and Ispat Ltd	0.423	Solar Industries (I) Ltd	0.290
Hindustan Aeronautics Limited	0.202	Swan Energy Limited	0.189
HDFC Asset Management Company Limited	0.022	Honeywell Automation India Ltd	0.386
Hero MotoCorp Ltd	0.040	Voltas Ltd	0.083
Hindustan Zinc Ltd	0.096		



# Sectoral Positioning

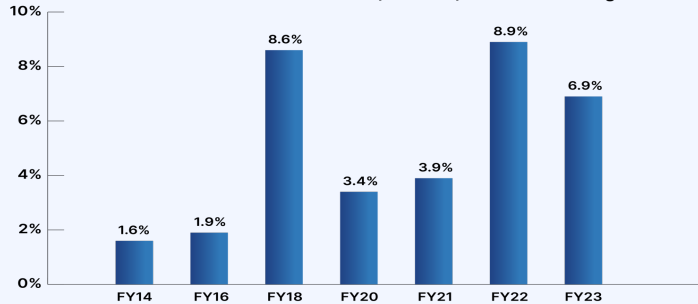
**The Top 4 themes towards which the portfolio has the highest allocation are as follows:**

1. Capital Markets
2. Personal Products
3. Aerospace & Defence
4. Industrial Products

# Capital Markets

## Incremental share of other financial products (excluding Fixed Deposits) to increase the asset ownership pie

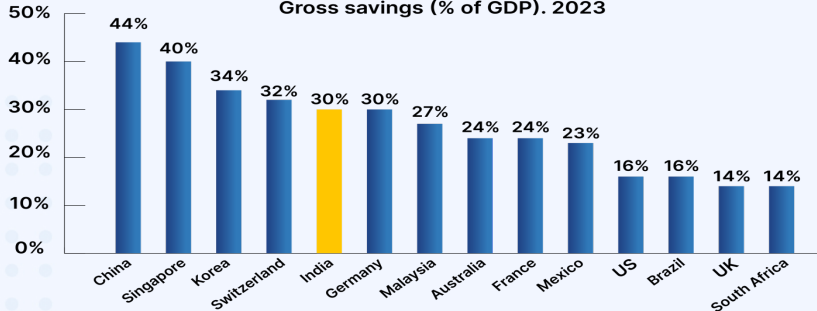
Share of shares & debentures (incl. MFs) in financial savings



Source: RBI

## A strong savings rate as a percentage of GDP is indicative of higher traction towards financial products

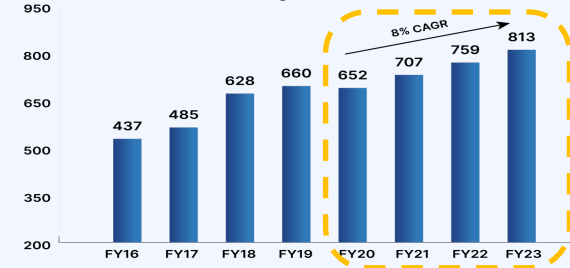
Gross savings (% of GDP). 2023



Source: International Monetary Fund

## Indian savings have seen a strong trend and is expected to sustain over the years

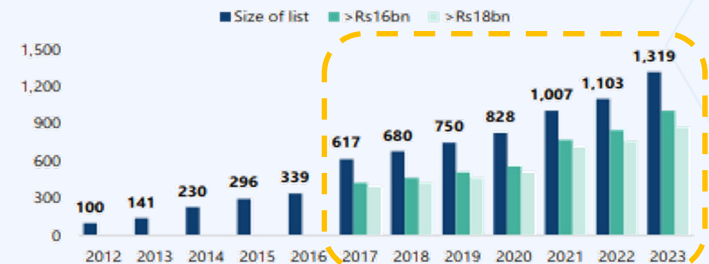
India HH savings trend (US\$bn)



Source: Jefferies

## The sustained increase in the number of UHNIs in the country would provide strong tailwinds for Wealth & Asset Managers

No. of UHNIs on Rich List 2023 (>Rs10bn)



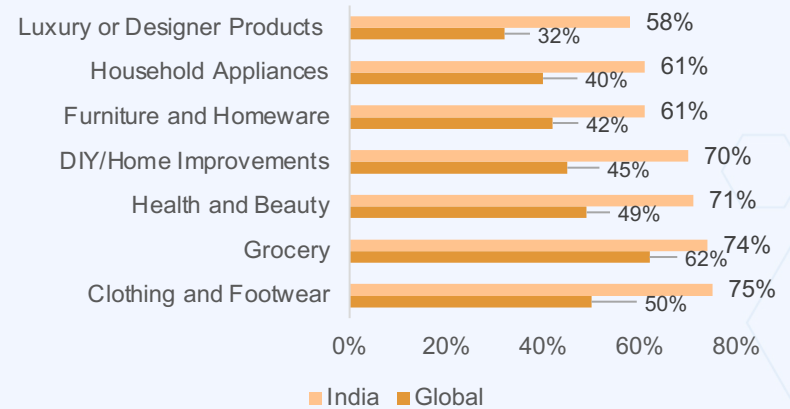
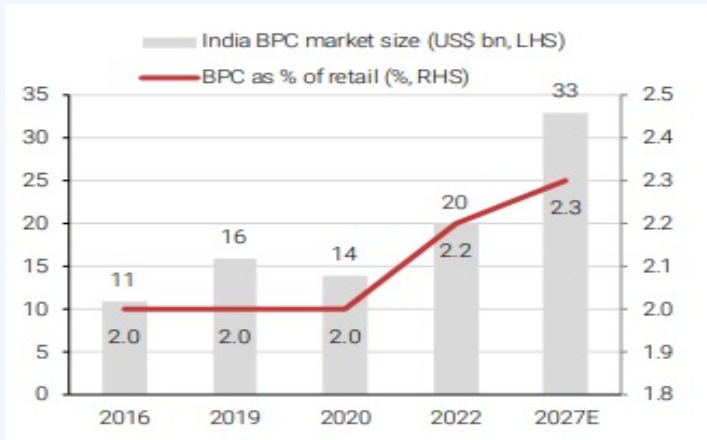
Source: 360One Wealth Harun India Rich List 2023

# Personal Products

In India, the key growth drivers going forward for this category include premiumization, an evolving category mix and increased penetration of products backed by growth in personal disposable income.

**Indian beauty and personal care market is expected to grow at 11% CAGR from 2022-27**

**Expected increase in personal spending in the next few years**



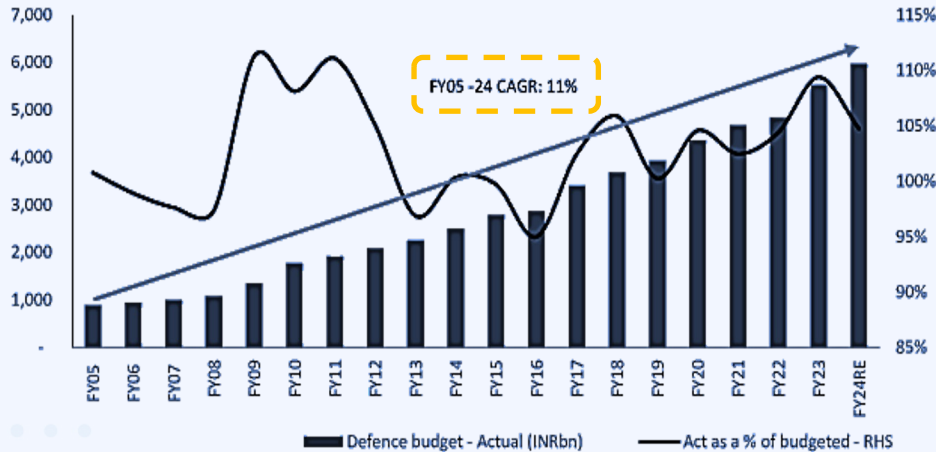
The Indian BPC market is underpenetrated in comparison to larger (US & China) and smaller economies (Indonesia)

75% of consumers expect an increase in spending on clothing and footwear, followed by grocery.

# Aerospace & Defence

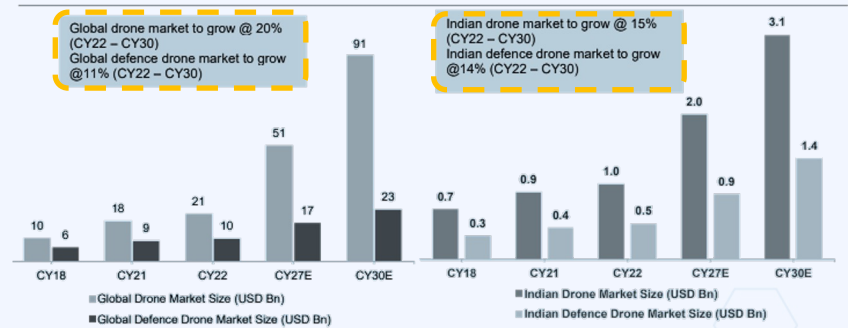
The sustained increase in Defence Budget expenditure backed by government policy has led to robust growth for India's Defence Space

Fig. 13: India's defence budget (actual as a % of budget)



Source: Nomura Research

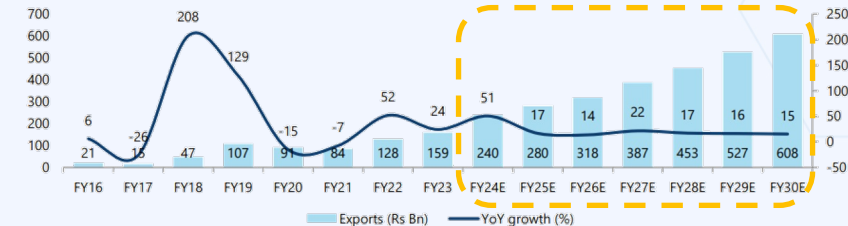
The tailwinds in the defence drone market is expected to benefit the leaders in the Indian Defence industry



Source: Nirmal Bang Securities

Defence Ministry's focus on expanding defence footprint globally and international geopolitical tensions provide good growth runway for Indian defence exporters

Exhibit 48 - Government focus to see exports rise 2.5x by FY30E



Source: Jefferies India Limited

# Industrial Products

**Wires & Cables is a fast-growing industrial segment with multiple tailwinds backed by strong demand due to higher income & consumption levels leading to improved productivity levels**

Higher Volumes driven by strong demand expected to lead to stable asset turnovers for W&C Players in the next few years.

Asset turns improved over the last few years for the Indian players



As GDP per Capita rises the per capita usage of wires increases

Per capita power consumption expected to witness robust growth backed by rising income levels

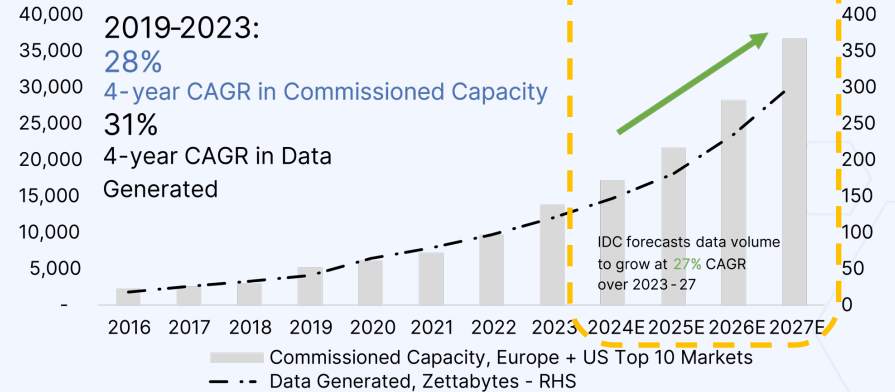
Housing led demand which constitute of ~35% share of overall demand is robust

Government's emphasis on capacity expansion in power sector would be one of the growth drivers for a ~15-17% growth in W&C demand in the next few years.

India becomes a net exporter of Wires and Cables with an export value of ~1.5X import value

Source: Industry Reports

**The exponential rise in demand for new data centres will be a growth driver for backup power solution providers**



Source: UBS India

# Scheme Details

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## Frequency

**Normal STP:** Daily, Weekly, Fortnightly, Monthly, Quarterly

**Timer STP:** Weekly, Monthly, Quarterly

## Minimum Amount

Rs. 5000/- and in multiples of Re. 1/- thereafter

## Minimal Additional Purchase Amount / Minimum SIP Amount

Rs 500/- and in multiples of Re.1/- thereafter

## Exit Load

On or before 12 months – 10% of units without any exit load. Excess of such limit is 1%  
After 12 months – Nil  
(Effective 1<sup>st</sup> June, 2024)

# Why is Samco Flexi Cap Fund different from others?

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<p><b>Deep Research Selection</b></p>	<p>Built on proprietary HexaShield Tested investing framework that combines top-down and bottom-up research to identify companies that are innovative, efficient and resilient across markets and geographies. Companies are strictly selected from a <b>universe of ~125 HexaShield Tested companies.</b></p>
<p><b>Domestic Only Portfolio</b></p>	<p>Stock selection from a <b>diverse universe</b> of over 5000 stocks from NSE and BSE.</p>
<p><b>Growth Quality Strategy</b></p>	<p>The fund aims to only invest in companies with <b>great growth potential</b> and hence investors will get exposure to companies <b>aggressively investing for growth.</b></p>
<p><b>Truly Active Fund</b></p>	<p>Fund shall be a truly active fund with an <b>active share of over 80%-85%, highest in the category.</b> This shall ensure that investors get a truly differentiated fund and not an index hugging fund when they pay for asset management fees.</p>
<p><b>Around 25 Stock Portfolio</b></p>	<p>The fund shall run an <b>~25 stock portfolio</b> and hence investors get the benefits of diversification and <b>reasonable concentration</b></p>
<p><b>Predominantly Equity Fund with substantial equity exposure</b></p>	<p>The Funds will not undertake any debt exposure/derivative/hedging and will remain true to label of being an equity fund.</p>

# Product Label & Risk-o-meter

## Samco Flexi Cap Fund

(An open-ended dynamic equity scheme investing across large cap, mid cap & small cap stocks)

### This product is suitable for investors who are seeking\* :

- To generate long-term capital growth;
- Investment in Indian & foreign equity instruments across market capitalization;

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

### Risk-o-meter



Investors understand that their principal will be at very high risk

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



# Fund Management Team

Executive Director, CIO & Fund Manager

# Umeshkumar Mehta

**Qualification:** B.Com, CA, PGDBA

**Brief Experience:** Mr. Umeshkumar Mehta has over 25 years of experience in Indian Capital Markets. His role involves overseeing investment strategies and managing assets across diverse portfolios. He has profound knowledge of financial markets, believes in data driven approach to investments and draws lessons from financial markets histories. He used to lead the Samco group's Research team. He has been associated with the group for the last fifteen years. He is an CA and MBA by qualification.





Fund Manager

# Nirali Bhansali

**Qualification:** B.E., MBA (Finance)

**Brief Experience:** Nirali Bhansali (B.E.,MBA Finance, pursuing CFA - US certification at final level) has nearly 9 years of experience with over 7 in capital markets & investment research. Her deep understanding of fundamental analysis has enabled her to provide cutting edge insights in conceptualising and developing Samco's flagship research and Investment products like HexaShield Framework, Stock Rating , StockBasket etc. She is a regular panelist on media & business news channels such as Bloomberg Quint, Money9 Live, CNBC TV18 etc.



Fund Manager

# Dhawal G. Dhanani

**Qualification:** B.Com, CA

**Brief Experience:** Mr. Dhawal Ghanshyam Dhanani started out as an equity research analyst at Samco Securities Ltd. He has around 8 years of work experience with more than 2 years spanning capital markets and investment research and has been known for in-depth examination into the business models and computational crux of varied Indian companies. His multidisciplinary approach and working knowledge of fundamentals have aided the prime objective of guiding investors through insightful ideas for the long term.

# Thank You