



# Portfolio Management Services

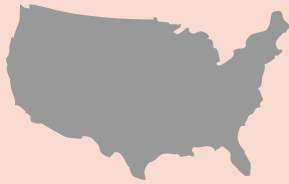
Enhance **Safety**, Enhance **Growth**, Enhance **Returns**

## ACMIIL Insight

*“Most market participants chase alpha but get risks, while one could chase safety and get alpha”*

# Investment Focus

## US: Largest Economy & Equity Market



**24%** Share of the global economy

**40%** International markets revenue

**35%** of Global Market Cap

**100+** cos with 20%+ 10yr CAGR

A truly global investment universe of technology innovators, disruptors, firms with best corporate governance practices and leading enterprises having operations in developed & fast-growing emerging economies

## AI Revolution: Transformative Technologies



**\$100** trillion Economic Impact in next 10 years

**10+** Transformative Technologies including AI, IoT, 5G, Cloud, Big Data

New-age digital technologies are changing every aspect of the human life and in the process creating a multi-trillion-dollar global business transformation opportunity

## India: Fastest Growing Major Economy



**13.2%** 10-year annualised GDP Growth

**₹100** lac crore 5yr Capital expenditure Plan

India is exposed to 3 transformative themes, viz., a huge capex of INR100 trillion over next five years, a shift in global manufacturing supply chain towards India & the global digital transformation tailwind

# Origin & Evolution of Scientific Investing

1990s



2000s



2010s



2020s

## Origin of Scientific Investing

- **Scientific, research-oriented thinking** combined with Mathematical modelling & Quantitative skills
- Observing the markets and the **dotcom boom and bust** from close quarters in **NYC and Columbia University**
- Introduction to Derivatives by the best faculty @ Columbia Univ. NY.
- **Introduction to value investing**

## Emergence of Scientific investing

- **Putting it into practice** through a trial-by-fire gaining experience by **investing real money**
- **Deep immersive research on 100+ years** of investment management history resulting in the **ACMIILPMS**
- **Foundation for** the formalization of the **Scientific Investing Framework**

## Formalization of Scientific Investing

- **Partnership** initiatives with **top US & Global stock exchanges, asset managers** and SMA platforms
- **Global launch** of multiple **Scientific Investing strategies** on SMA enabled with **US SEC and other global licenses**
- Scientific Investing based strategy **ranked #1 long-biased equity strategy globally\***

## Era of Scientific Investing

- **AI** has emerged as the **4<sup>th</sup> factor of production** in this **digital transformation era**
- Global economic architecture is transforming resulting in the **emergence of a new economic ecosystem**
- **ACMIILPMS specializes in providing access to SuperNormal Portfolios designed to survive and thrive in this AI era**

# 100+yrs of Investment Research Foundation

*"If I have seen further, it is by standing on the shoulders of giants." – Isaac Newton*

## Scientific Investing

Next generation investment strategy built on deep research and analysis of 100+yrs of investment management history



**Benjamin  
Graham**

Margin of  
Safety



**Warren  
Buffett**

Risk of Loss of  
Capital



**Charlie  
Munger**

Moat  
Investing



**Philip Fisher**

Growth  
Investing



**John Burr  
Williams**

Discount to  
Intrinsic Value



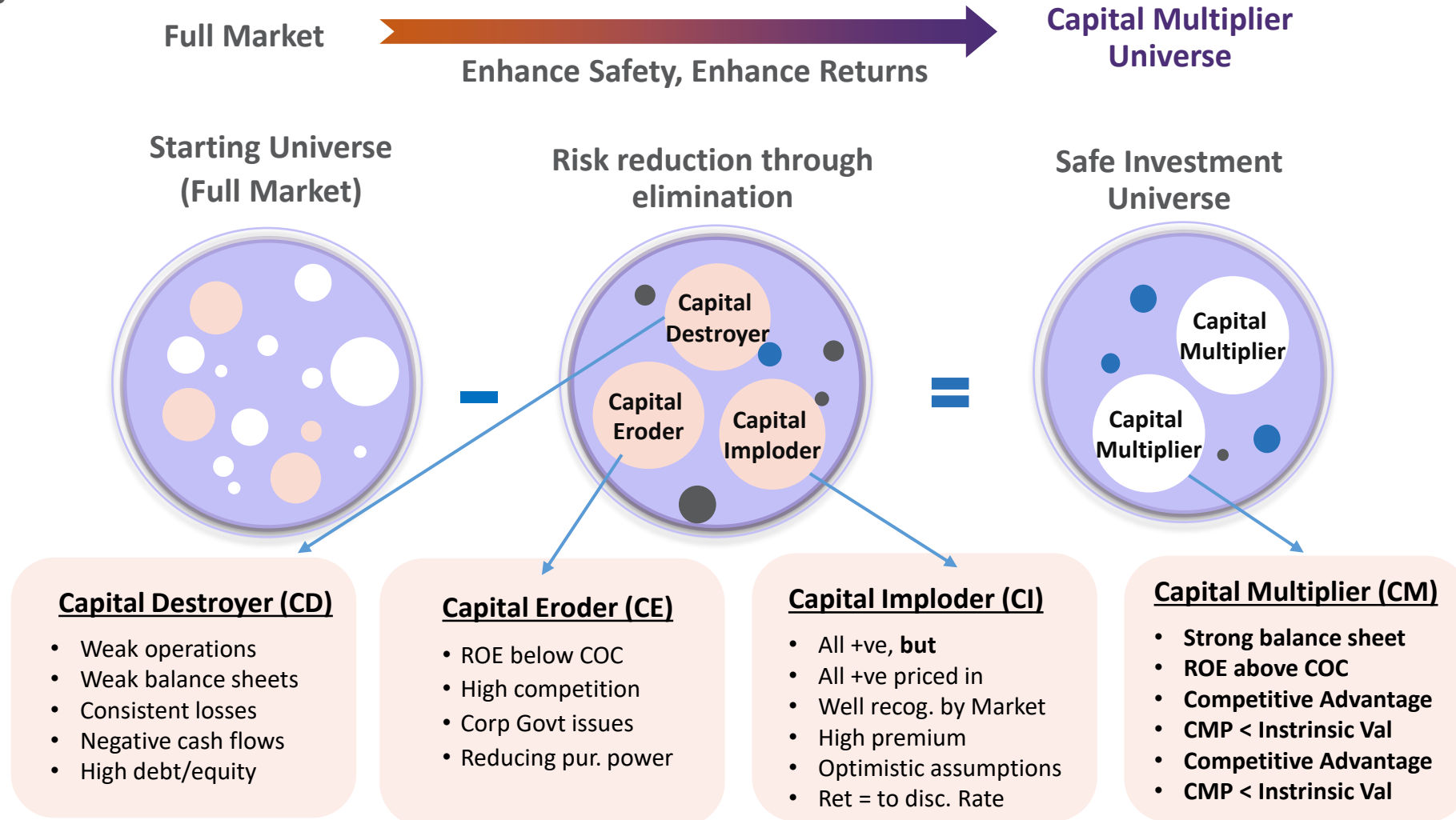
**Peter Lynch**

Diversification

and several other investment practitioners and academicians over the years

# Scientific Investing-Enhance Safety

*Enhance Safety: SuperNormal Portfolio is designed to **survive** in the Era of Transformation through the **uncertainties of disruptions***





# Growth Vector Investing



Bottom-up discovery of unrecognised growth vectors in Mr. Market's blind spot

Verifying that the growth vector was driving historical growth

Verifying that the growth vector has a robust long-term future

Verifying that the company has a strategy to capitalize on it

Potentially discover multiple mispriced companies by exploring the growth vector ecosystem

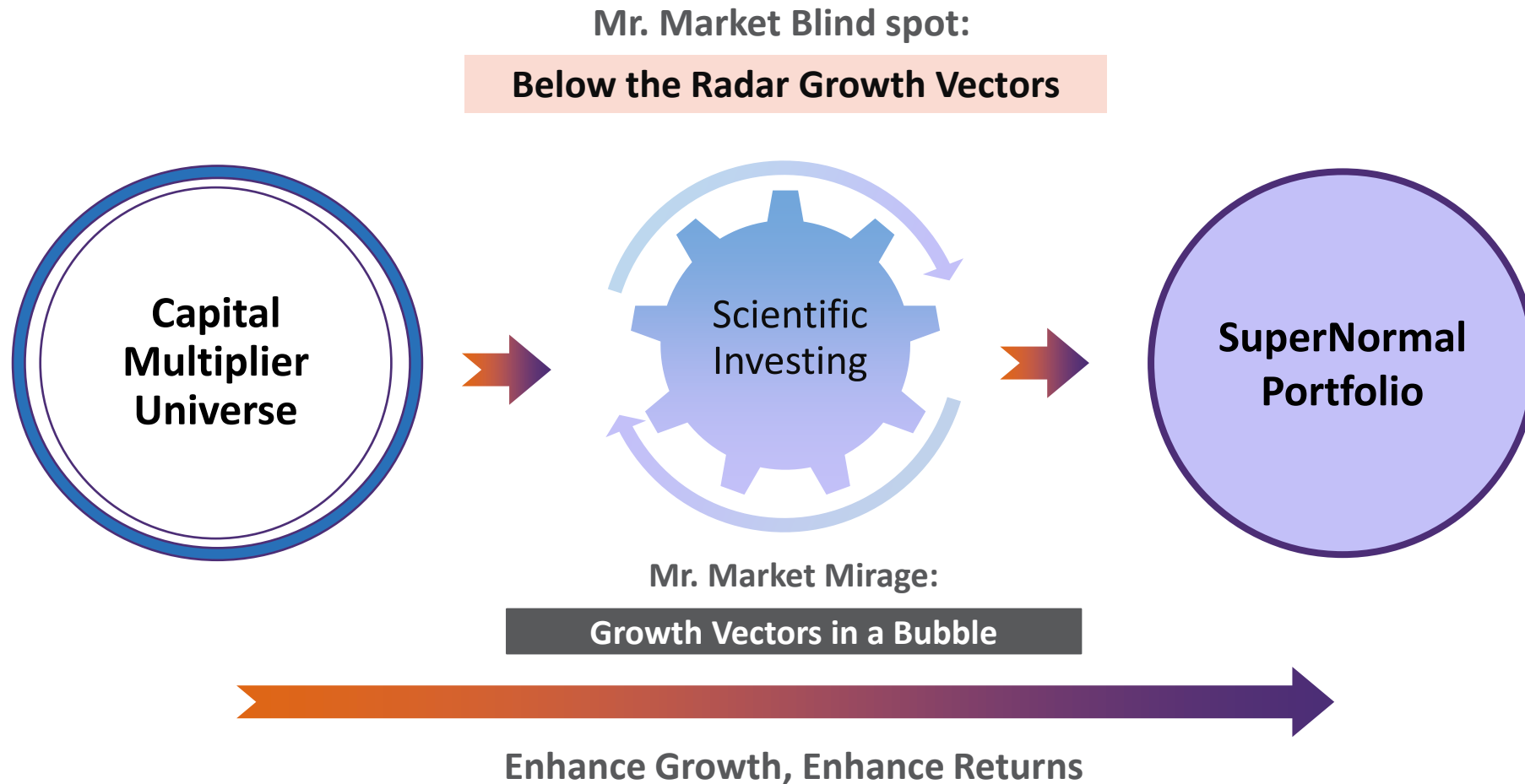
Create SuperNormal Portfolio diversified across multiple uncorrelated/less-correlated growth vectors

In any given time-period a different growth vector likely to unlock and become Mr. Market's Mirage and is replaced

Portfolio likely to deliver economic alpha through growth and value alpha through rerating from blind spot to mirage

# Scientific Investing-Enhance Growth

*Enhance Growth: SuperNormal Portfolio is designed to **thrive** in the Era of Transformation on the **below-the-radar** growth opportunities*



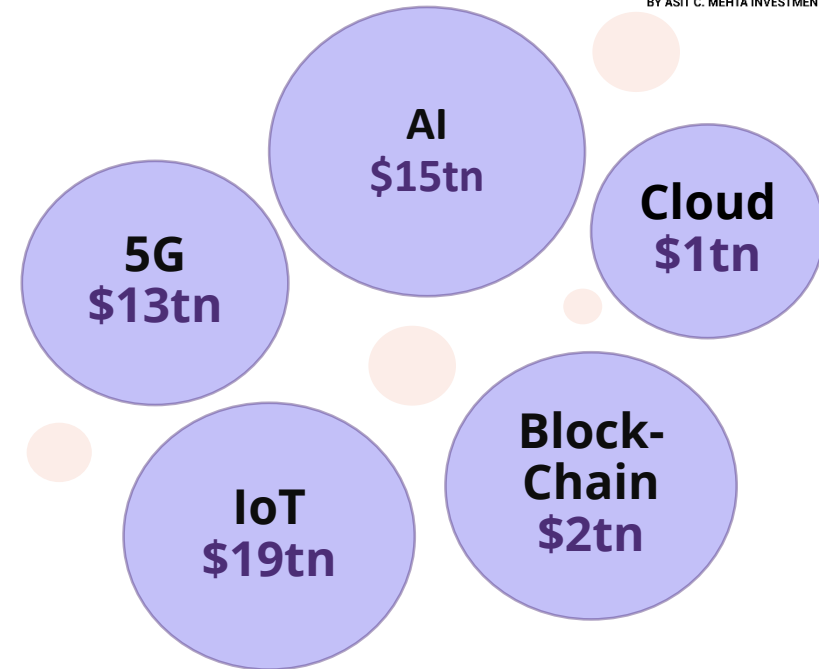


# Uncovering Hidden Investment Themes using Scientific Investing Framework

## ACE - Digital Transformation



**\$100 Trillion opportunity**  
**Dollar diversification with hedge against Rupee depreciation**



Enhance Safety, Enhance Returns

Enhance Growth, Enhance Returns

SuperNormal Portfolio

### Enhance Safety

- Net Debt to Equity: -0.4
- GM: 29%, OM: 15% & NM: 11%

### Enhance Growth

- \$100 trillion impact
- Multiple \$tn+ technologies

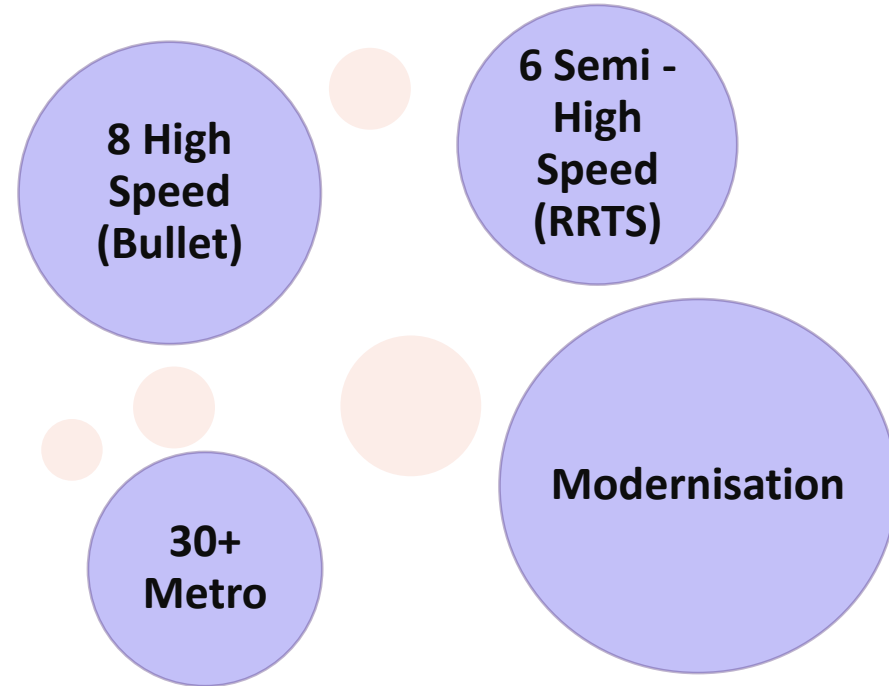
### Enhance Return

- Economic Alpha: ROE 20.7% vs. 12.8%
- Val. Alpha: FCF Yield 6% vs. 3%

## ACE Bullet Train - Railway Infrastructure



**INR 14 lakh crore TAM**  
**Freight: 3X in 10 years**



Enhance Safety, Enhance Returns

Enhance Growth, Enhance Returns

SuperNormal Portfolio

### Enhance Safety

- Net Debt to Equity: 0.0
- GM: 17%, OM: 15% & NM: 12%

### Enhance Growth

- 14 lac cr Capex push
- 2X – 5X Order book

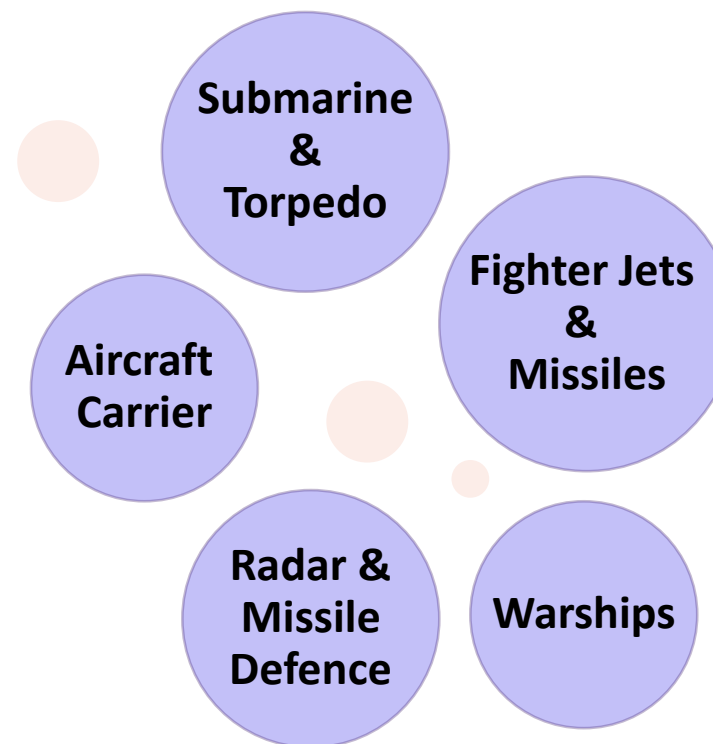
### Enhance Return

- Economic Alpha: ROE 14.7% vs. 12.8%
- Val. Alpha: FCF Yield 11% vs. 3%

## ACE Bharat Defense – Defending India



**\$73bn - 3<sup>rd</sup> Highest spending in the world**  
**Defence exports: 28% CAGR (2014-2020)**



Enhance Safety, Enhance Returns

Enhance Growth, Enhance Returns

**SuperNormal Portfolio**

### Enhance Safety

- Net Debt to Equity: -0.54
- GM: 40%, OM: 24% & NM: 17%

### Enhance Growth

- Turnover of 1.75 lac cr by 2025 (~15% CAGR)
- 2X – 10X Order book

### Enhance Return

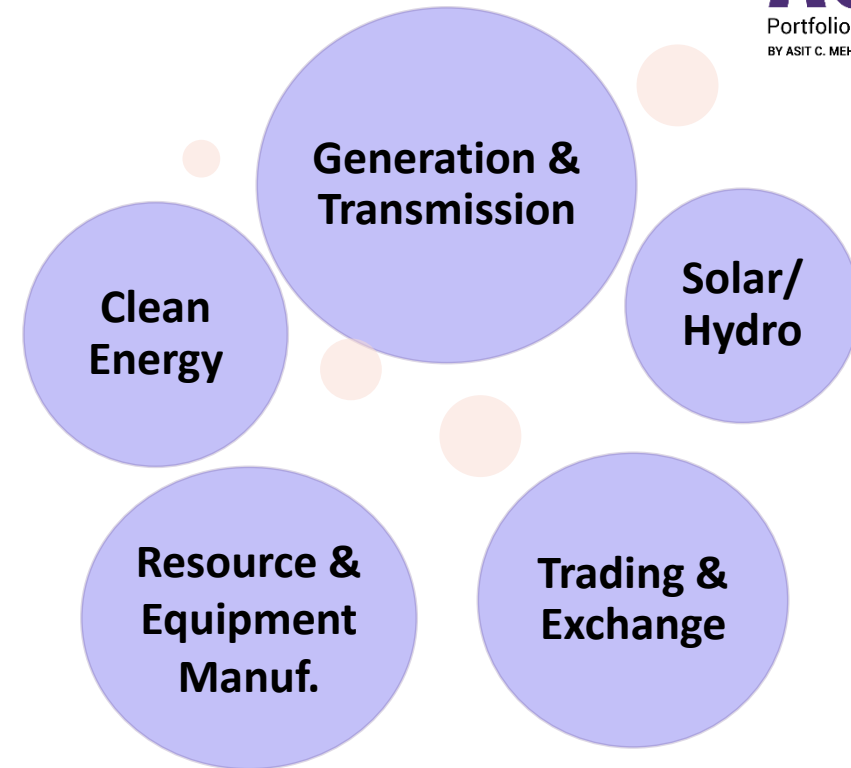
- Economic Alpha: ROE 14.8% vs. 12.8%
- Val. Alpha: FCF Yield 10% vs. 3%

## ACE Power – Electrifying India



**Power consumption to reach 4trillion units by 2030  
(13% CAGR)**

**24 lakh crore TAM – Empowering India's Growth**



Enhance Safety, Enhance Returns

### Enhance Safety

- Net Debt to Equity: 1.71
- GM: 27%, OM: 23% & NM: 13%
- Primarily AAA rated cos.

Enhance Growth, Enhance Returns

### Enhance Growth

- 24 lac cr CAPEX push
- Double digit volume growth estd.

SuperNormal Portfolio

### Enhance Return

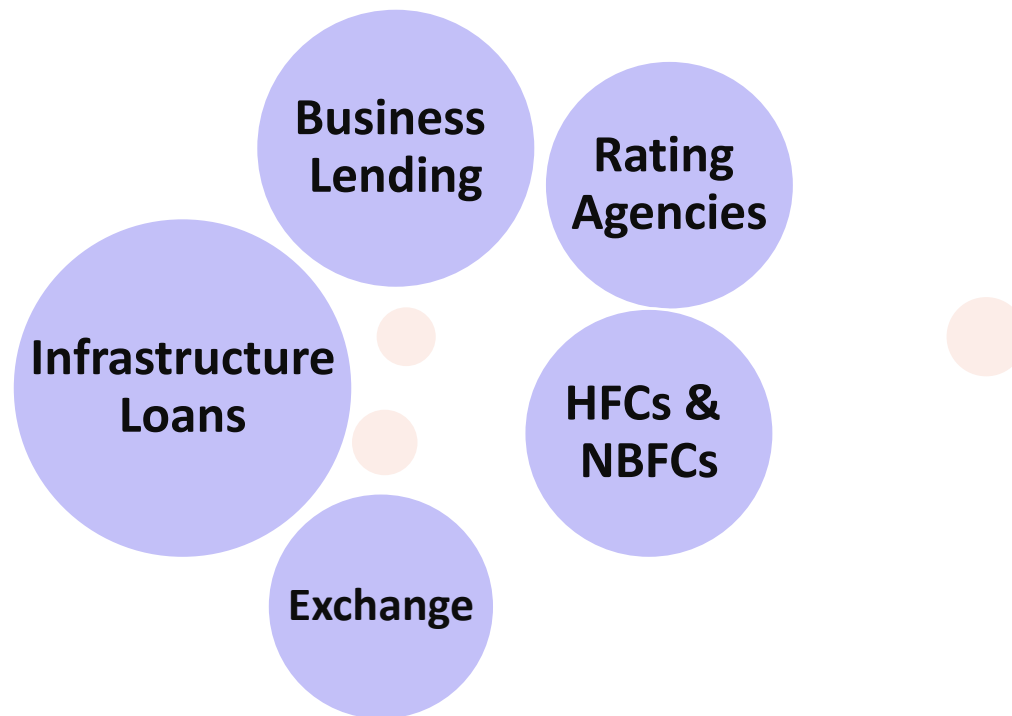
- Economic Alpha: ROE 13.3% vs. 12.8% (improving ROE – WIP & Lower NPA)
- Val. Alpha: FCF Yield 30% vs. 3%



## Capital Enablers – Capitalizing India



**200+ lakh crore new financing Opportunity**  
**Capital providers and enablers for infra. dev.**



Enhance Safety, Enhance Returns

Enhance Growth, Enhance Returns

SuperNormal Portfolio

### Enhance Safety

- Net Debt to Equity: NA
- OM: 40% & NM: 29%

### Enhance Growth

- 100+ lac cr CAPEX push
- Multiple sub-growth vectors

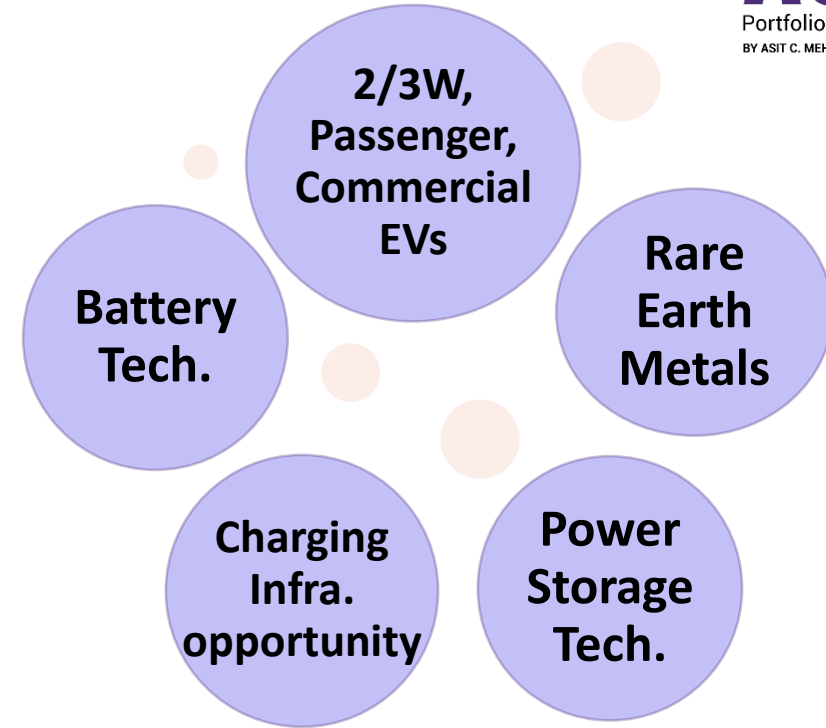
### Enhance Return

- Economic Alpha: ROE 10.5% vs. 12.8%
- Val. Alpha: P/BV 2.9 vs. 3.5

## Future of Mobility - EV



**30@30 – 30% share by 2030**  
**14 lac cr investments to achieve 2030 target**



Enhance Safety, Enhance Returns

Enhance Growth, Enhance Returns

SuperNormal Portfolio

### Enhance Safety

- Net Debt to Equity: -0.22
- GM: 43%, OM: 9% & NM: 6%

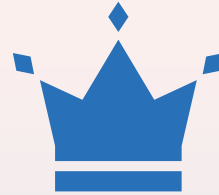
### Enhance Growth

- 14 lac cr investment opportunity
- 30% PV, 70% CV & 80% TW

### Enhance Return

- Economic Alpha: ROE 12.6% vs. 12.8% (improving ROE)
- Val. Alpha: FCF Yield 7% vs. 3%





## **ACE Prime Equity - Multicap**

- Enhanced Safety with Scientific Investing Framework
  - Enhanced Growth with Multiple Growth Vectors
  - Enhanced Returns with Economic & Value Alpha

## Quiver Full of Growth Arrows – ACE Prime Equity



### ACE Prime Equity: SuperNormal Multi-Thematic

- The Best of India Inc.
- SuperNormal portfolio of Multiple Growth vectors
- Independent unlocking of Growth Vectors

# Product Details

## Investment Snapshot

- A flexi-cap equity portfolio providing exposure to multiple transformative themes, viz., Mega capex and Infrastructure investments of INR 200 trillion, Capital Enabling Ecosystem, the multi-trillion dollar global digital transformation (DX) tailwind, the 3rd largest Defense Budget in the world, Indian railway transport (Bullet trains, Metros, Electrification, Revamp), Digital Banking & Fintech, among others

## Investment Offering

- A selective SuperNormal Portfolio chosen from the 1000 largest companies providing exposure to multiple, promising growth vectors in the Indian and Global Economy

## Minimum Ticket Size

- INR 50 Lakh

## Target Investor

- Investors seeking Long-term Capital growth

# ACE Payout

## Monthly Pay-out Equity-Oriented Strategy

Equity-oriented strategy that aims to provide regular monthly cash flow



**0.5% per month**  
**(effective ~6% per annum)**

Payout of 0.5% of the monthly closing NAV

# Strategy Snapshot

<b>Investment Snapshot</b>	➤ Monthly Payout strategy that aims to provide regular cash flow from an equity-oriented portfolio
<b>Investment Offering</b>	<ul style="list-style-type: none"><li>➤ Equity-oriented portfolio based on the Scientific Investing Framework which pays 0.5% of the closing NAV every month.</li><li>➤ Monthly payouts from the invested capital and the gains</li><li>➤ The rupee value of the pay-out is expected to grow over the long-term in tandem with the NAV growth of the portfolio</li></ul>
<b>Minimum Ticket Size</b>	➤ INR 1 Crore
<b>Target Investor</b>	➤ Long-term investors seeking cash flow from their equity-oriented investments

Equity investments are subject to market risk. Equity-oriented portfolio NAVs tend to be volatile

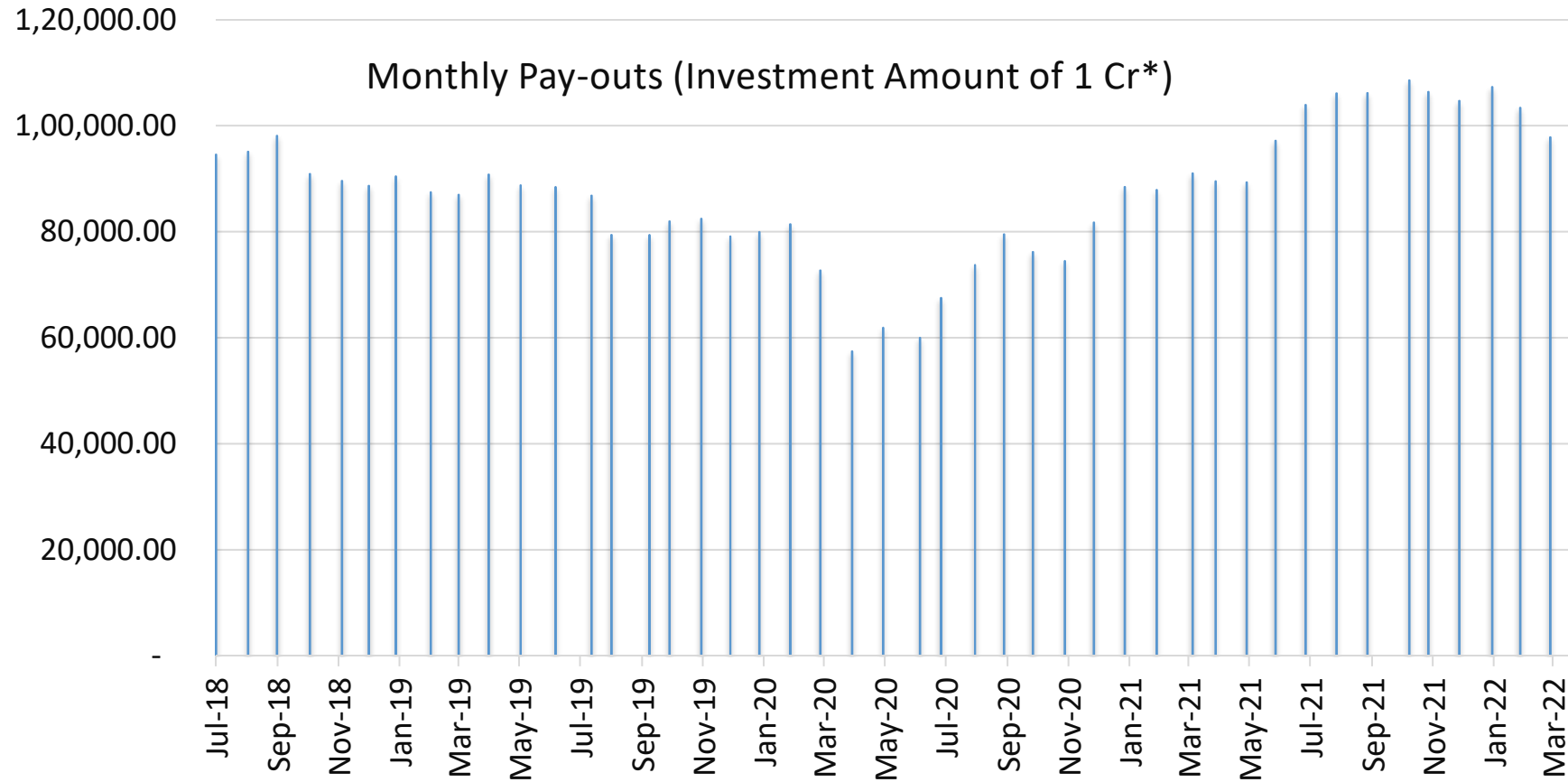
# Why ACE Payout?

Tackle Inflation while getting a higher pay-out yield: ACE Payout strategy aims to help investors to get regular cash flow from equity-oriented investments

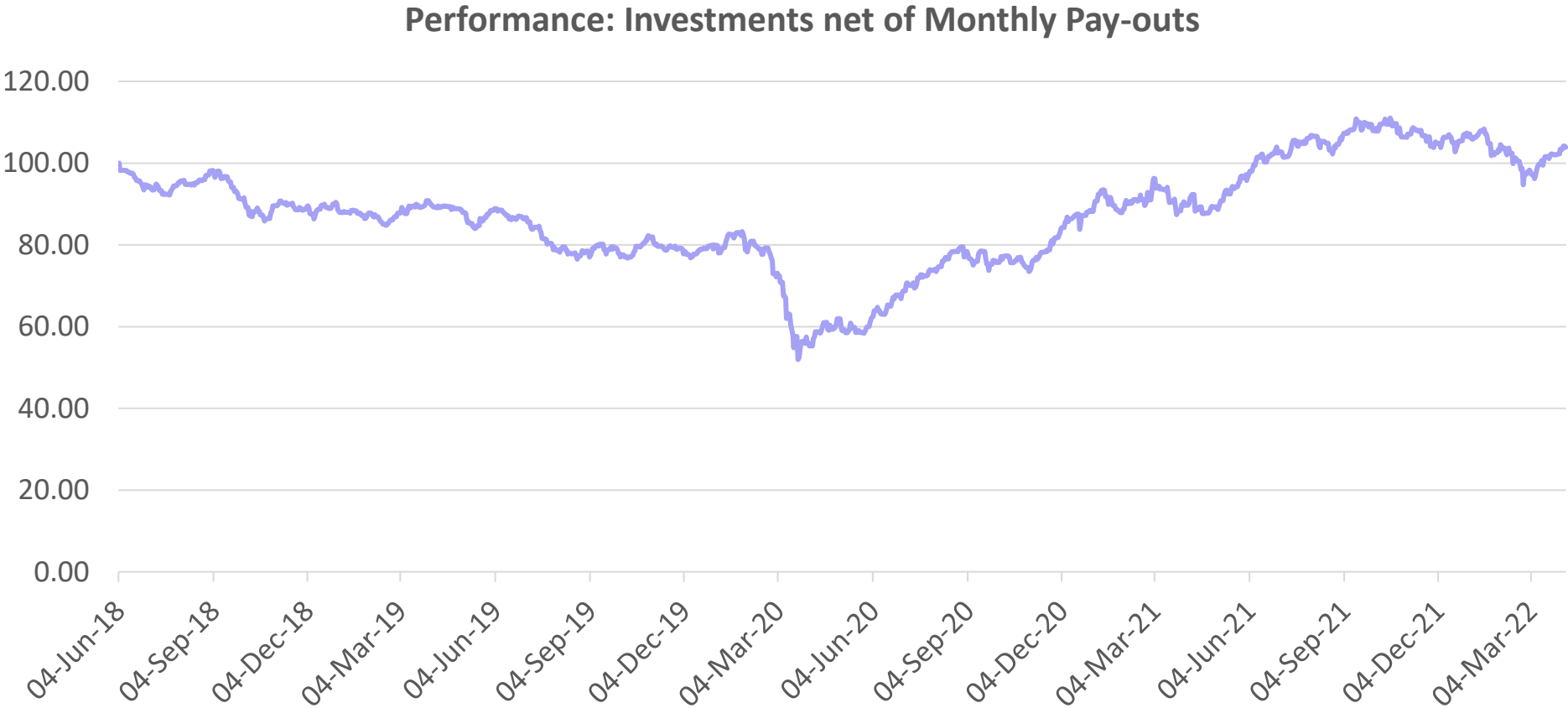
- Monthly Payout of 0.5% of NAV with superior alpha strategy
- Inflation: Aims to preserve purchasing power
- Aims to deliver NAV growth over long-term
- Aims to provide sustainable cash flows over long-term
- Pay-outs include capital gains, interest & dividend income and invested capital



# Model portfolio – Monthly Pay-outs

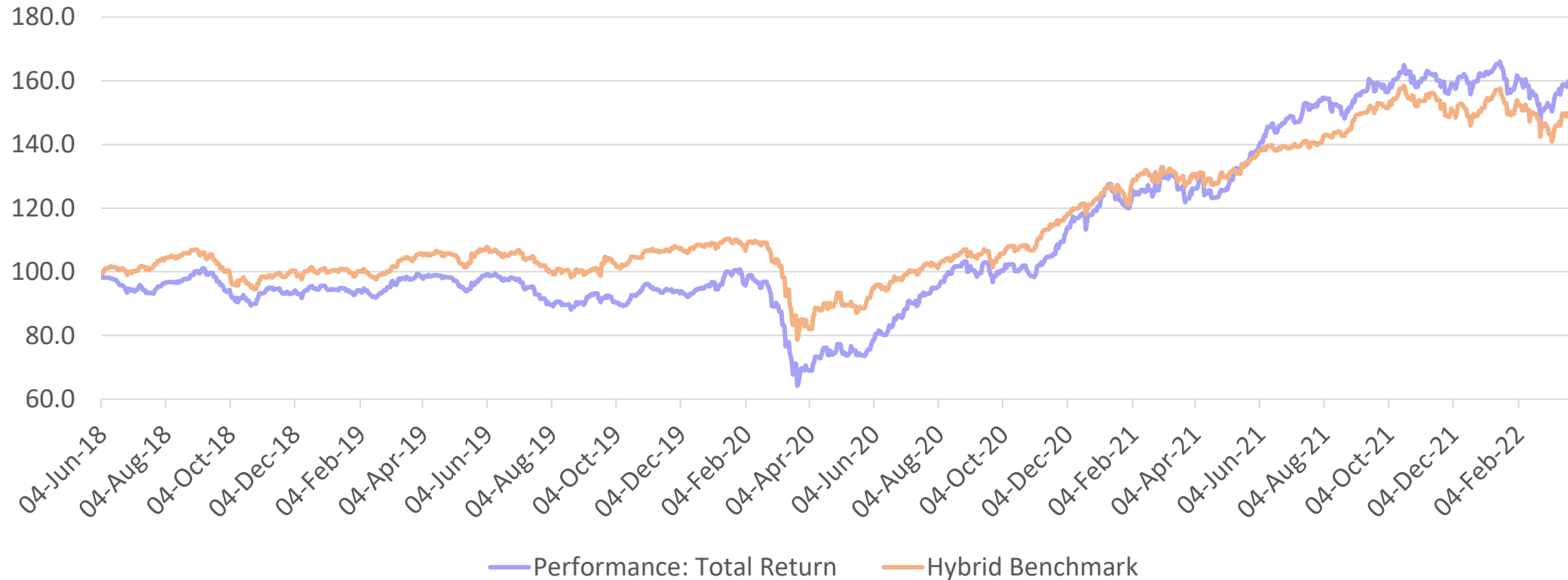


# Net Asset Value Performance



Disclaimer: Above NAV chart is for a model portfolio started on 4<sup>th</sup> Jun 2018 for actual investments in the strategy by client. Performance numbers are net of fees and transactions costs. Results from strategy evaluation does not guarantee any future performance. Not Investment Advice. SOURCES: OmniScience, Orbis Financial.

# Performance: Total Return



Annualized Return (As of Mar 31, 2022)	Since Inception (Jun 4, 2018)
Portfolio	12.8%
Hybrid Benchmark	11.4%

As of Mar 31, 2022	Portfolio	Nifty 500
Beta	0.70	1
Std. Dev.	13.6%	16.4%
Sharpe Ratio	0.50	0.46

**Disclaimer:** Above NAV chart is for a model portfolio started on 4<sup>th</sup> Jun 2018 for actual investments in the strategy by client. Performance numbers are net of fees and transactions costs. Results from strategy evaluation does not guarantee any future performance. Not Investment Advice. The Hybrid benchmark consist of 75% weightage to Nifty 500 and 25% weightage to Quantum Liquid fund (MUTF\_IN: QUAN\_LIQU\_REG\_1V1Y35G) and rebalanced annually at the start of each calendar year. SOURCES: OmniScience, Orbis Financial.

## **ACE Payout**

**Monthly Pay-out  
Equity-Oriented  
Strategy**

**Monthly pay-out of 0.5% of  
closing NAV  
(~6% pa effective pay-out)**

**Less volatile than pure  
equity and higher expected  
return than fixed income\***

**Let your  
equity-  
oriented  
investments  
add to your  
monthly cash  
flow**

## About ACMIIL

- Established in 1983, ACMIIL has become a go-to brand among online trading platforms.
- A part of the Mumbai based Nucleus Group
- Jointly promoted by market veterans Mr. Asit C. Mehta and Mrs. Deena A. Mehta.
- Member of the Bombay Stock Exchange (BSE) and National Stock Exchange of India (NSE).
- ACMIIL is also a DP with Central Depository of India (CDSL).
- ACMIIL manages investments for more than 2 lakh customers.

# Team



## **Mr. Asit C. Mehta**

### **Group Chairman - Asit C Mehta group of companies**

- Mr. Asit C. Mehta, the Group Chairman is a Chartered Accountant and a Seasoned Capital Market Professional with more than 3 decades in Indian capital markets
- As group chairman he guides various entities of the group which includes debt business comprising of Government Securities and Corporate Paper, Broking services, Asset Management and Technology Services



## **Mrs. Deena Mehta**

### **Managing Director of Asit C Mehta group of companies**

- Mrs. Deena Mehta is Chartered Accountant, Masters in Management Studies (Finance), and Fellow Member of Securities and Investment Institute London. She is a former President of Bombay Stock Exchange and has the honour of being the first woman Director on Board of BSE as well as being the first woman President.
- She has been an Invitee to International Securities Regulators Organization, and member of Index Committee and Advisory Committee on Mutual Funds of Stock Exchange, Mumbai. Member of SEBI Committees such as Review of Eligibility (CORE) norms of SEBI, Derivative Committee, Delisting Committee, Ethics Committee and Investor Education.

# Team



## **Mr. Anand Varadarajan**

### **Director – Innovation & Growth - Asit C Mehta group of companies**

- Anand Varadarajan comes with over 2 decades of experience in the financial services space.
- His total experience is equally divided between both International and Indian markets.
- He has been awarded the prestigious 40 under 40 Award for Investment Professionals in India.
- He has been involved in the PMS industry for over a decade creating state of the art investment products and solutions for Investors, Corporates and Family offices.



## **Mr. Deepak Makwana**

### **Principal Officer & Portfolio Manager – ACMIIL PMS**

- Deepak Makwana is a finance professional with over 15 years of experience in financial markets.
- He has worked across various profiles from fundamental research to portfolio advisory.
- Has served a broad spectrum of client base from HNIs, UHNIs, Family Offices and Financial Institutions.



# Asit C. Mehta Investment Intermediates Ltd.

Address: Nucleus House | Saki Vihar Road | Andheri (E) | Mumbai 400072

Phone: 022 - 2858 4545 • Email: [pms@acm.co.in](mailto:pms@acm.co.in) • Website: [www.investmentz.com](http://www.investmentz.com)

**Contact : 022-28583759**

**Registration Nos** - BSE / NSE Single Regn No. : INZ000186336 | Merchant Banking: INM000010973 | DP Reg: IN-DP-CDSL-28-99 |

DP ID-CDSL 12013200 | Research Analyst: INH000002483 | PMS: INP000005801