



# About Top Stock Baskets

- One click thematic investment



# What are Top Stock Baskets?

- A cluster of stocks bundled together based on a common underlying theme
- Specific pre-evaluated weightage is allocated to all the portfolio constituents
- Set objective of each basket makes easy for choosing the basket
- Handpicked & well-researched top 10-15 stocks from respective theme feature in each basket
- Risk mitigation achieved via diversification amongst the basket constituents
- A smart one-stop solution to ride relatable ideas floating in market

# Basket categories

- **Evergreen Basket** – A basket of large-cap stocks with diversified sector exposure
- **Emerging India** – Top 15 Midcap & Large-cap ideas clubbed together from varied sectors
- **Future Leaders** – Basket of Mid-cap companies that can transform into themselves into large-caps
- **Dark Horse** – A group of Mid & Small-cap companies with strong underlying potential

# Evergreen basket

- Evergreen basket constitutes a list of sectoral market leaders that are expected to generate consistent returns despite any market hiccups owing to their sustained growth performance & rich history
- Strong business moat, industry leading market share, robust track record, prudent and well-trusted managements are some of the traits considered while selecting these 'consistent compounder' companies
- The basket is expected to yield consistent returns over the longer period and to generate moderate returns under critical economic conditions viz-a-viz other basket classes
- Investors expecting moderate returns with low-risk appetite and inclination towards high dividends can subscribe to Evergreen basket

# Emerging India basket

- **Emerging India basket** is a proxy play to India's inherent growth structure comprising multiple niche players exhibiting attributes similar large-cap names.
- Promising candidates from varied sectors are selected to cash in all-round strong growth impetus of Indian economy.
- The investment objective is to ride the high-quality businesses that seem to be at inflection stage under their business operations over a long period of time
- Investors with moderate risk appetite can prefer the basket

# Future Leaders basket

- As the name signifies, **Future Leaders basket**, comprise a set of mid-sized companies exhibiting capabilities to become industry leader due to their distinctive business styles.
- Most of the featured companies understand operating industry very well and have created a niche market for themselves. In coming years, market share of these companies is expected to rise thereby allowing them to further expand via a way of inorganic growth.
- The investment approach is to align oneself with companies that can dictate the industry terms in coming years thereby creating handsome returns to minority investors.
- Investors with moderate-to-high risk appetite can prefer the basket

# Dark Horse basket

- **Dark Horse basket** is a bunch of Mid & Small-cap companies that holds the ability to grow at enormous pace under favorable business conditions.
- A bottom-up approach-based basket holds some unique plays that are undergoing some structural changes and can transform themselves over the next few years.
- The investment approach is to witness a transformational phase of featured companies over the coming years thereby creating high returns to minority investors.
- Investors with high-risk appetite can prefer the basket

# Operating model

## Investment Process

- **Stock Selection:** The Investment basket will be long only, with nil exposure to F&O and leverage trading.
- **Exit Strategy:** Stocks in the basket will be exited partially or fully once the price objective is achieved or any deterioration in the company's fundamentals that warrants complete exit or portfolio rebalancing.

## Performance & Review

- The present minimum investment value suggested based on amount required to buy 1 share each of suggested stock. (Closing price as of 8<sup>th</sup> July 2021)
- The fact sheet of the stock basket will be sent to all stake holders i.e. investment committee and sales team on a Quarterly basis.

## Risk Factor

The stock basket is expected to achieve value added results through active management decisions. However, the basket is expected to be diversified with respect to the exposure to economic sectors, industries and individual stocks. The following diversification guidelines apply to the construction of the basket as well in keeping the risk of the stock basket down.

- The maximum allocation to any economic sector will be capped at 30% of total investment.
- The maximum allocation to any individual stocks will be capped at 25% of total investment.
- The basket will be rebalanced accordingly at the end of every quarter.