



Invesco India Caterpillar Portfolio

March 2018



Invesco India Caterpillar Portfolio



Investment Universe

- Fundamentally strong and high growth midcap¹ and small cap² companies

Investment Focus

- Scalable business model coupled with sustainable growth
- Companies with niche or emerging business prospects
- Under owned & overlooked investment opportunities

Attributes

- Potential for Earning growth and P/E multiple expansion
- Attractive returns on capital and adequate cash flow
- Competitive advantages and industry attractiveness
- Good quality management with sound corporate governance

Stock Selection Approach

- Bottom-up stock picking

Portfolio Construct

- High conviction portfolio
 - 15 to 25 Stock Portfolio
-

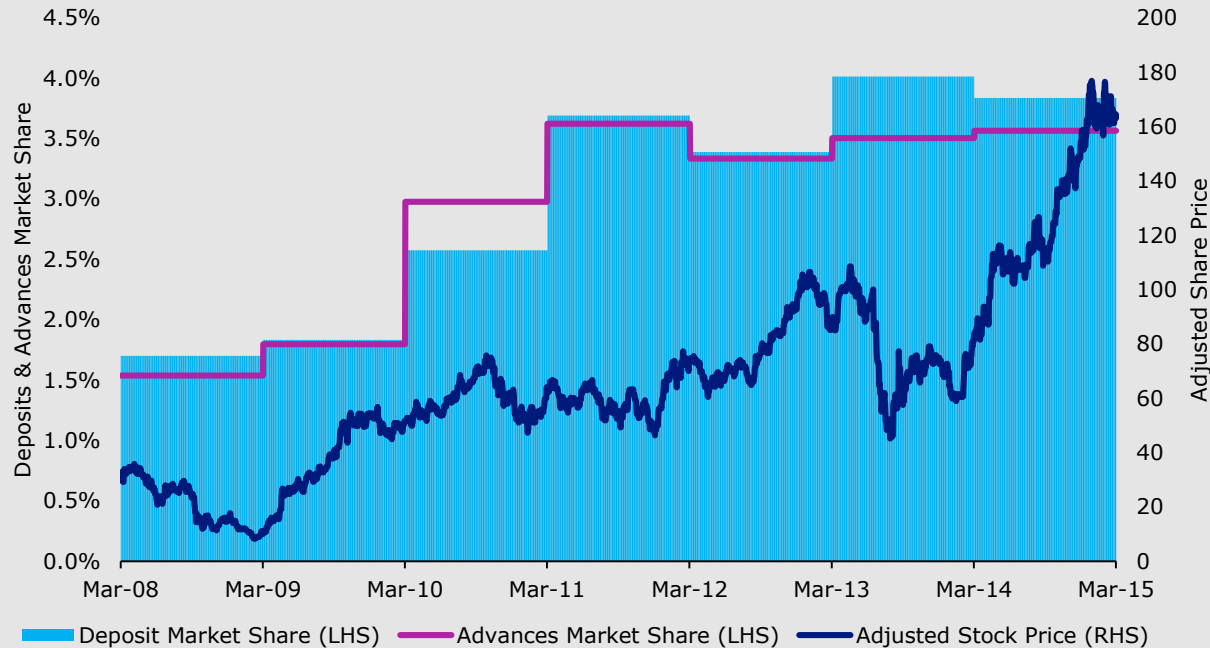
1 Mid Cap:101st to 250th company in terms of full market capitalization. Small Cap:251st company onwards in terms of full market capitalization. P/E: Price to Earnings

Scalable Business: Yes Bank Ltd.

Market rewards consistent growth



Deposits & advances grew at the expense of weaker competitors.



Purchase Date	Dec 05, 2008
Sale Date	Mar 12, 2014
Holding Period	1,924 days
Stock Return	38.50%
Benchmark Return	18.24%
Return Method	CAGR

- Incorporated in 2004, Yes Bank scaled up its business at a rapid pace
- For ten years ending 2015, its advances, deposits & net interest income grew at compounded rate of 63.6%, 58.4% and 69.1% respectively.
- CASA deposits as a percent of total deposits improved significantly from 1.4% to 23.1% during this period.
- Gross NPA remained less than 0.41% through this period.

Source: CapitalLine. For calculation of market share of deposits & advances data of 48 private & foreign banks are considered.

Return Method: Compound Annual Growth Return (CAGR). NPA: Non-performing asset. CASA: Current Account and Savings Account

Past performance may or may not be sustained in future.

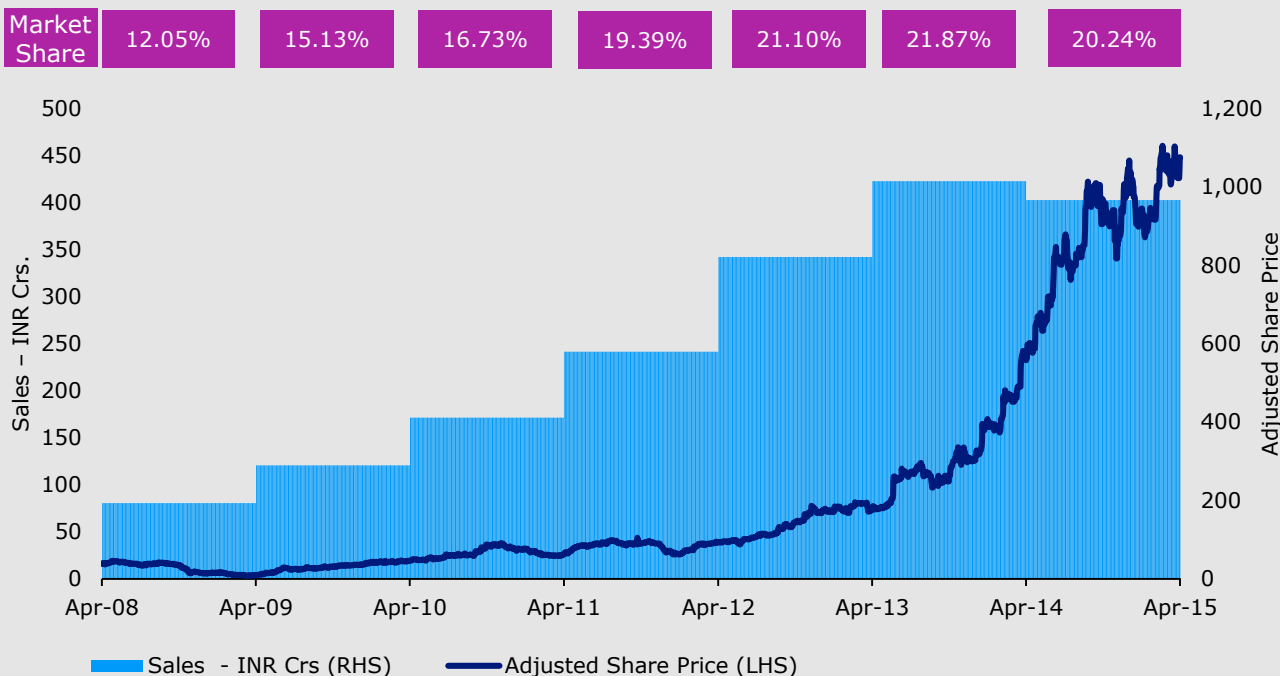
Note: Performance has been shown from the period when stock was included in the portfolio. **Source: NSE/Capitaline/Internal.** The stock referred above should not be construed as recommendations from Invesco Asset Management (India) Private Limited. The Portfolio may or may not have any present or future positions in these stock or in any other portfolios offered by Invesco Asset Management (India) Private Limited. The performance of above stocks should not be construed as performance of the portfolio as the portfolio would be constituted of number of stocks having different weights and the individual stock held by the portfolio may or may not give positive returns. **Invesco Asset Management (India) Private Limited is not guaranteeing or promising or forecasting any returns.**

Emerging product line: Astral Poly Technik Ltd.

Developed CPVC pipes market



Gained market share in overall PVC pipes



Purchase Date	Feb 01, 2011
Sale Date	Sep 18, 2014
Holding Period	1,326 days
Stock Return	110.54%
Benchmark Return	12.17%
Return Method	CAGR

- Creation of new market for Chlorinated PVC pipes.
- Annualized Sales & Profit growth of 41% for 5 years ending FY 2014
- Improved market share for PVC pipes from 12.05% in FY 2008 to 21.87% in FY 2014
- Average Return on Capital Employed of 30% for 5 years ending FY 2014
- Stock had Re-rating potential as valuation were cheap.

Source: CapitaLine. For calculating market share, sales of piping division of Astral Poly Technik Ltd., Supreme Industries Ltd. and Finolex Industries Ltd. are considered, as they are listed and consistent sales data is available.

Return Method: Compound Annual Growth Return (CAGR).

Past performance may or may not be sustained in future.

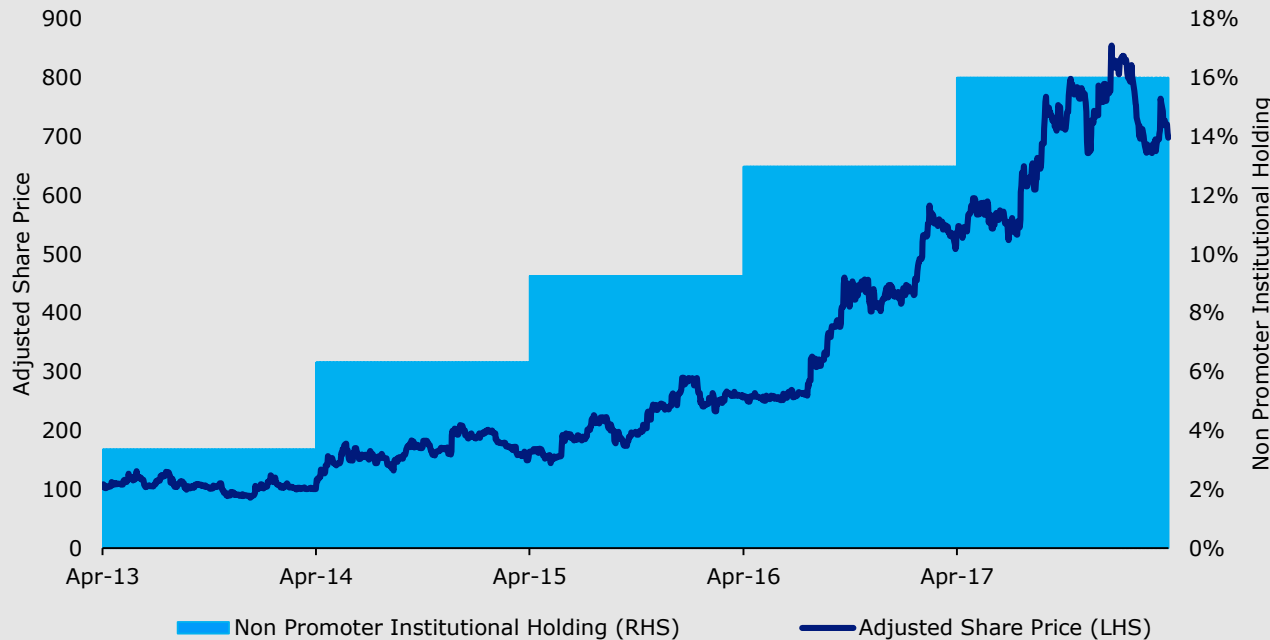
Note: Performance has been shown from the period when stock was included in the portfolio. **Source: NSE/Capitaline/Internal.** The stock referred above should not be construed as recommendations from Invesco Asset Management (India) Private Limited. The Portfolio may or may not have any present or future positions in these stock or in any other portfolios offered by Invesco Asset Management (India) Private Limited. The performance of above stocks should not be construed as performance of the portfolio as the portfolio would be constituted of number of stocks having different weights and the individual stock held by the portfolio may or may not give positive returns. **Invesco Asset Management (India) Private Limited is not guaranteeing or promising or forecasting any returns.**

Under owned: Heritage Foods Ltd.

Value discovery lead to increased institutional participation & subsequent re-rating



Significant rise in Institutional holding



Period: April 1, 2013 to March 31, 2018

Purchase Date	Dec 18, 2015
Holding Date	Mar 31, 2018
Holding Period	835
Stock Return	48.61%
Benchmark Return	16.69%
Return Method	CAGR

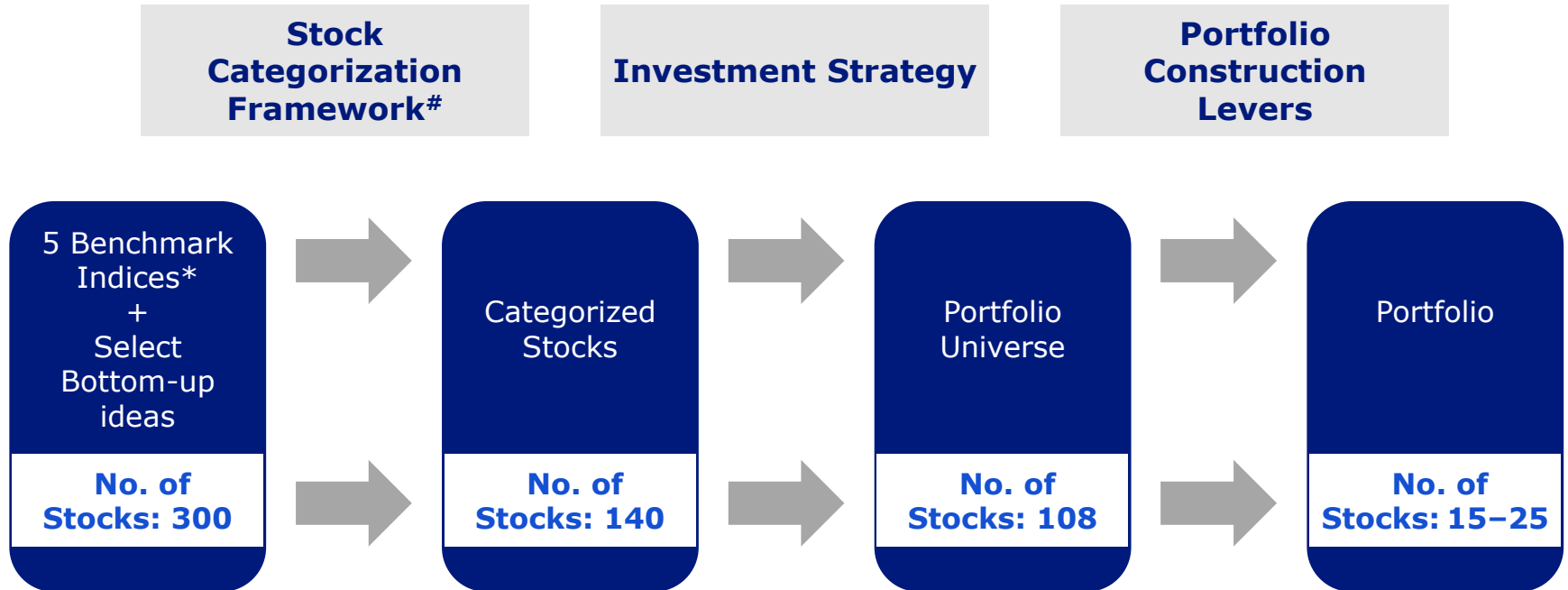
- Competitive strength in milk procurement and distribution.
- Established brands in dairy business
- Expanding presence in new business territories
- Average Return on Capital Employed of 47.5% for last 5 years ending FY 2017 in Dairy Business
- Shift to organised sector – the market share has increased from 16.7% in FY10 to 22% in FY16.
- Relatively under owned till recently.

Return Method: Compound Annual Growth Return (CAGR). Non Promoter Institutional Holding includes institutional investors like Banks, Financial Institutions, Insurance Companies, Mutual Funds , Foreign Institutional Investors

Past performance may or may not be sustained in future.

Note: Performance has been shown from the period when stock was included in the portfolio. **Source: NSE/Capitaline/Internal.** The stock referred above should not be construed as recommendations from Invesco Asset Management (India) Private Limited. The Portfolio may or may not have any present or future positions in these stock or in any other portfolios offered by Invesco Asset Management (India) Private Limited. The performance of above stocks should not be construed as performance of the portfolio as the portfolio would be constituted of number of stocks having different weights and the individual stock held by the portfolio may or may not give positive returns. **Invesco Asset Management (India) Private Limited is not guaranteeing or promising or forecasting any returns.**

Stock Selection Process

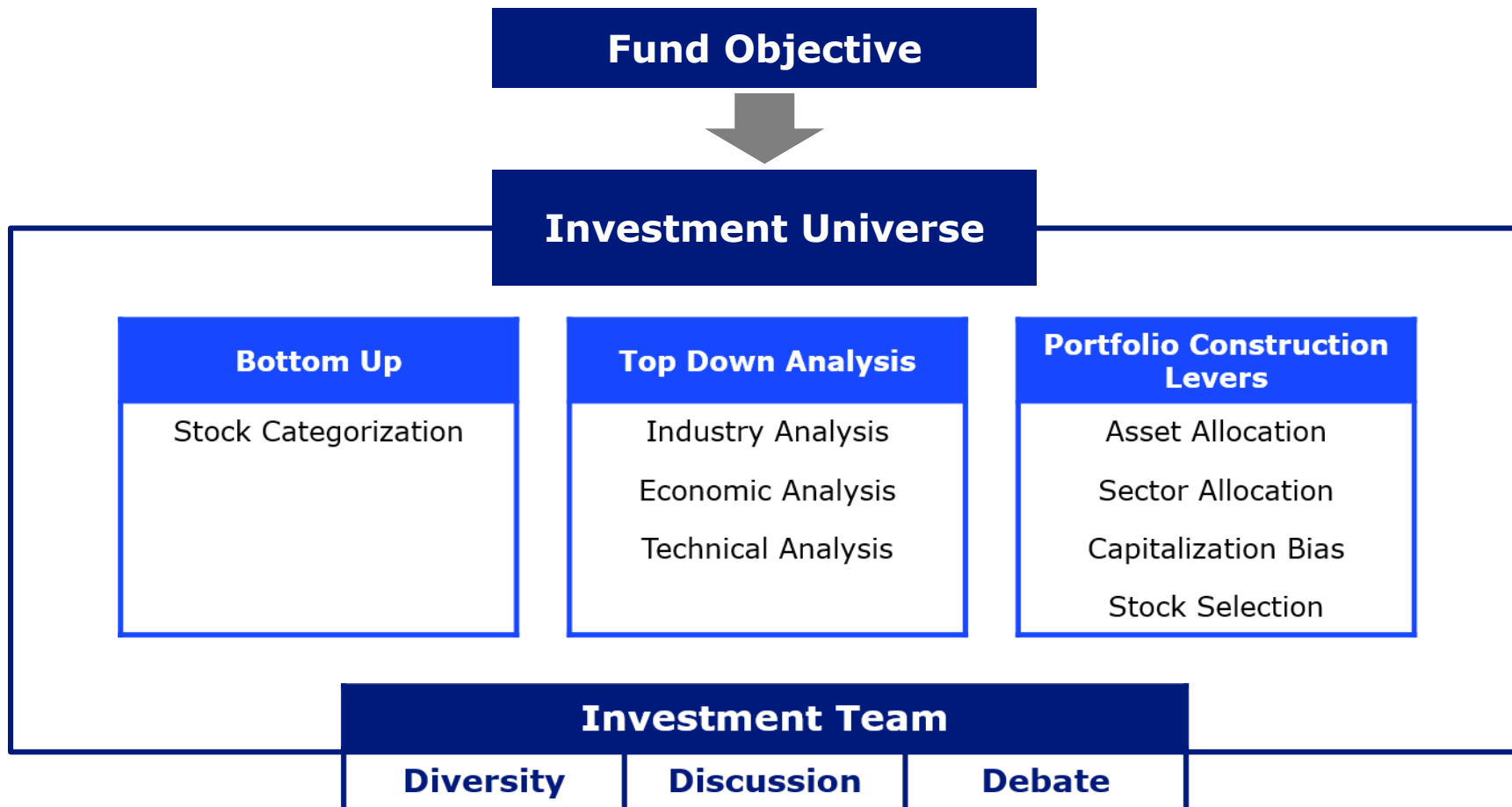


Data as on March 31, 2018

#For details on Stock Categorization Framework please refer to slide no. 8

*5 Benchmark Indices: S&P BSE 200 Index, Nifty Midcap 100 Index, Nifty Infrastructure Index, Nifty Bank Index and S&P BSE PSU Index

Investment Process



Stock Categorization Framework



Stock Category	Descriptions (e.g.)	Growth Prospects (e.g.)	Company Attribute (e.g.)	Financial Parameter (e.g.)	
Leader	Established companies	In line or better than industry	Track record of leadership, globally competitive	Industry leading margin / ROE	Growth
Warrior	Young / established companies	Better than industry	Unique proposition and / or right place, right time	Margin & ROE expansion	
Star	Young companies	High growth	Entrepreneur vision, scalability	Operating Leverage	
Diamond	Company with valuable assets	Low growth	Management intent to unlock value	Value of asset / business	Value
Frog Prince	Company in a turnaround situation	Back to growth	Intrinsic strengths in core business	P2P, ROE expansion	
Shotgun	Opportunistic investment	Positive surprise	Corporate event, restructuring, earnings news	Event visibility	Event
Commodities	Call on the cycle is paramount	Positive	Integration, cost efficiency, globally competitive	Profit leverage	

P2P: Path to Profit; ROE: Return on Equity.

Portfolio Performance

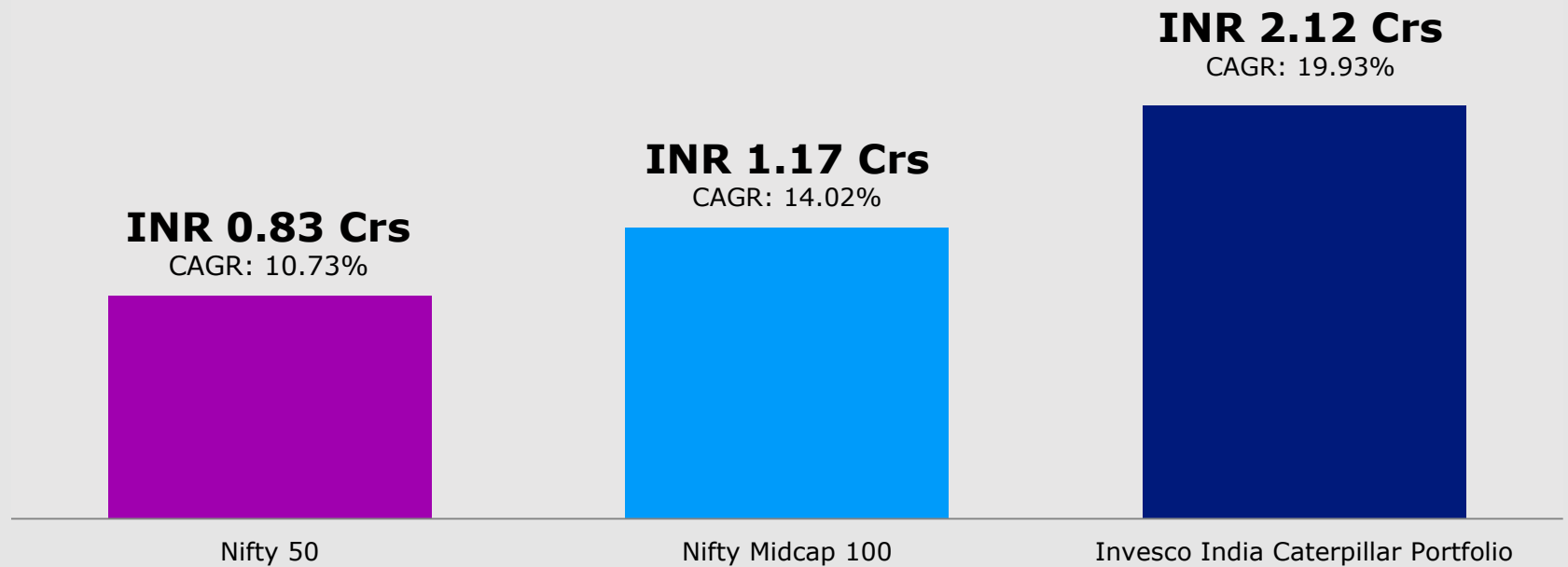


Since Inception Performance

As on March 31, 2018



If Rs. 25 Lakhs were invested in Invesco India Caterpillar Portfolio, Nifty Midcap 100 Index and Nifty 50 Index on June 26, 2006, its present value would have been...

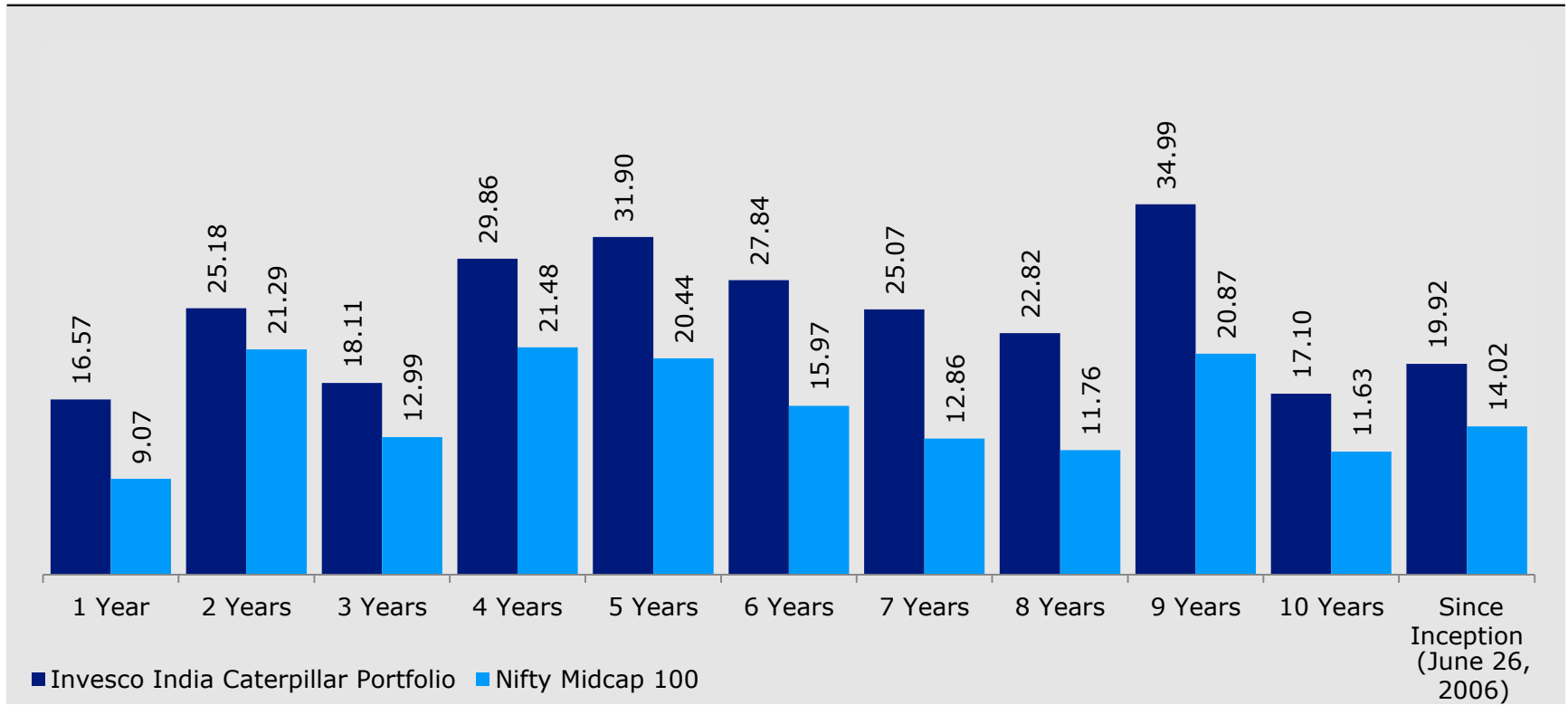


Period: June 26, 2006 – March 31, 2018.

Past performance may or may not be sustained in future. The data given above is for model portfolio. The returns are calculated on the basis of daily market value of the Portfolio.
Disclaimer: The returns of model portfolio given above are for illustration purpose only. Model portfolio returns does not take into account expenses/charges and Profit/Loss on account of derivative transactions. Returns under client wise portfolio may vary vis-à-vis returns of model portfolio due to various factors viz. timing of investment/additional investment in client's portfolio, timing of withdrawals in client's portfolio, mandates given by respective client, profit/loss on account of derivative transactions, expenses charged to respective portfolio, dividend income in the respective portfolio etc. **The Portfolio manager does not offer guaranteed or assured returns. Securities investments are subject to market risks, please read the Disclosure Document carefully before investing.**

Portfolio Performance

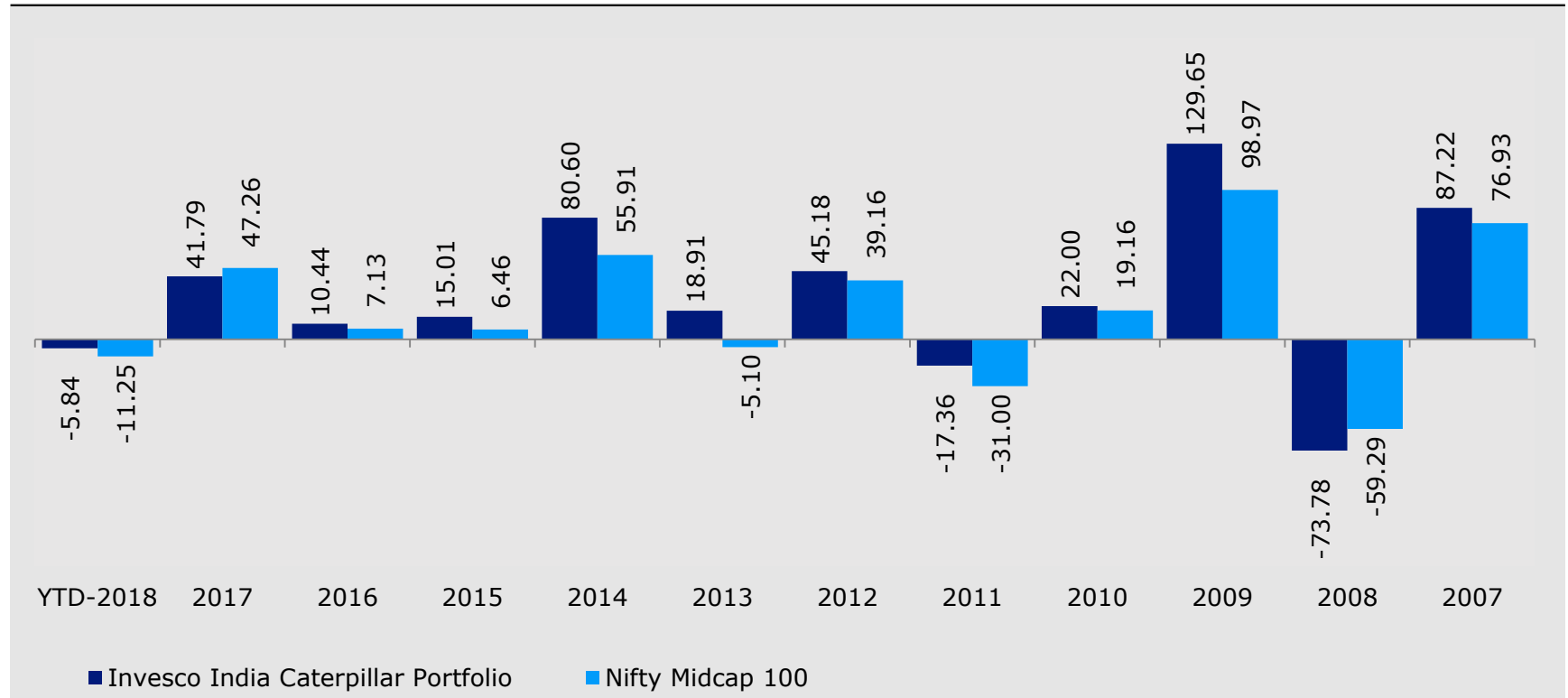
As on March 31, 2018



Past performance may or may not be sustained in future. Returns up to 1 year are absolute Returns and returns over 1 year are Compound Annual Growth Return. The data given above is for model portfolio. The returns are calculated on the basis of daily market value of the Portfolio. **Disclaimer:** The returns of model portfolio given above are for illustration purpose only. Model portfolio returns does not take into account expenses/charges and Profit/Loss on account of derivative transactions. Returns under client wise portfolio may vary vis-à-vis returns of model portfolio due to various factors viz. timing of investment/additional investment in client's portfolio, timing of withdrawals in client's portfolio, mandates given by respective client, profit/loss on account of derivative transactions, expenses charged to respective portfolio, dividend income in the respective portfolio etc. **The Portfolio manager does not offer guaranteed or assured returns. Securities investments are subject to market risks, please read the Disclosure Document carefully before investing.**

Portfolio Performance

Calendar Year



YTD 2018: January 1, 2018 – March 31, 2018.

Past performance may or may not be sustained in future. Returns method: Absolute Returns The data given above is for model portfolio. The returns are calculated on the basis of daily market value of the Portfolio. **Disclaimer:** The returns of model portfolio given above are for illustration purpose only. Model portfolio returns does not take into account expenses/charges and Profit/Loss on account of derivative transactions. Returns under client wise portfolio may vary vis-à-vis returns of model portfolio due to various factors viz. timing of investment/additional investment in client's portfolio, timing of withdrawals in client's portfolio, mandates given by respective client, profit/loss on account of derivative transactions, expenses charged to respective portfolio, dividend income in the respective portfolio etc. **The Portfolio manager does not offer guaranteed or assured returns. Securities investments are subject to market risks, please read the Disclosure Document carefully before investing.**

Portfolio Update



Model Portfolio Holdings

As on March 31, 2018



Holdings

Script Name	% of Net Assets
Cyient Ltd.	6.88
KEC International Ltd.	6.71
Shriram Transport Finance Co. Ltd.	5.89
Mahindra Logistics Ltd.	5.76
Teamlease Services Ltd.	5.75
J K Cement Ltd.	5.67
Heritage Foods India Ltd.	5.40
Karur Vysya Bank Ltd.	5.04
Rupa & Company Ltd.	5.01
Engineers India Ltd.	4.96
Bank Of Baroda	4.95
Tata Metaliks Ltd.	4.88
Fiem Industries Ltd.	4.88
CCL Products I Ltd.	4.80
RBL Bank Ltd.	4.65
Shankara Building Products Ltd.	4.53
Accelya Kale Solutions Ltd.	4.35

Sector

Sector Name	% of Net Assets
Industrials	23.18
Financials	20.53
Consumer Discretionary	14.42
Information Technology	11.23
Materials	10.55
Consumer Staples	10.2
Cash & Cash Equivalent	9.89

Market Capitalization Break Up (In INR Crs.)

Market cap range	% of Net Assets	No. of Scripts
1,000 to 5,000	45.36	9
5,000 to 10,000	17.59	3
10,000 to 30,000	16.32	3
30,000 to 40,000	10.84	2
Weighted Average Market Cap		8,294

Source: Internal / Bloomberg

Disclaimer: The stocks / sectors referred above should not be construed as recommendations from Invesco Asset Management (India) Private Limited. The Portfolio may or may not have any present or future positions in this stock /sectors or in any other portfolios offered by Invesco Asset Management (India) Private Limited. This should not be seen as an investment advice. **Securities investments are subject to market risks, please read the Disclosure Document carefully before investing.**

Portfolio Characteristic

March 31, 2018



Fundamental Attributes	Portfolio	Nifty Midcap 100
Price to Earnings ¹ FY 18	25.0	20.3
Price to Earnings ¹ FY 19 Estimate	17.6	16.8
Last 3 Year EPS Growth (FY14-FY17)	17.3%	21.9%
Return on Equity ¹ FY 18 Estimate	13.5%	13.6%
Return on Assets ¹ FY 18 Estimate	17.5%	14.2%

Performance Attributes	
Standard Deviation	3.96%
Beta	0.75
Sharpe Ratio	0.17

Based on 3 years, monthly data points
(Risk-free rate of 9.39% based on Overnight MIBOR)

1. Weighted Harmonic Mean

2. Weighted Arithmetic Mean, EPS Growth is derived from P/E ratios

"Weighted Arithmetic Mean" is an average resulting from the multiplication of observation for each company by the weightage of that stock in the portfolio/index.

"Weighted Harmonic Mean" is an average resulting from the multiplication of the reciprocal of the observation for each component by the weightage of that stock in the portfolio/index. It reduces the impact of outliers. EPS: Earnings Per Share. EPS growth for FY14-FY17. Note: Excludes companies with net loss for appropriate results for various ratios

Source: Factset, Bloomberg, IAM

Performance Contributors

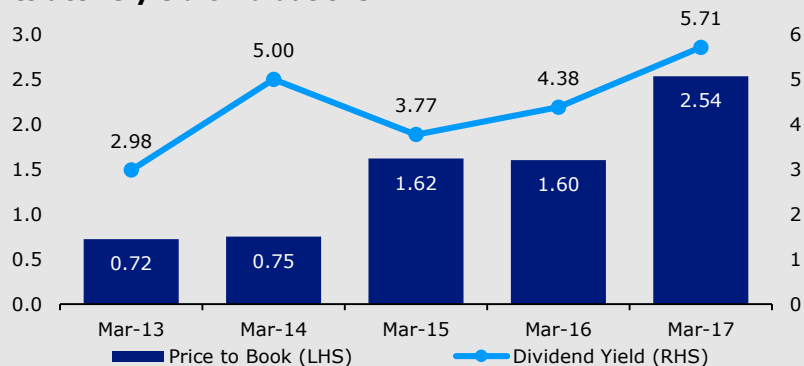


Hindustan Petroleum Corporation Ltd.

Rerating post de-regulation of fuel prices & capacity expansion

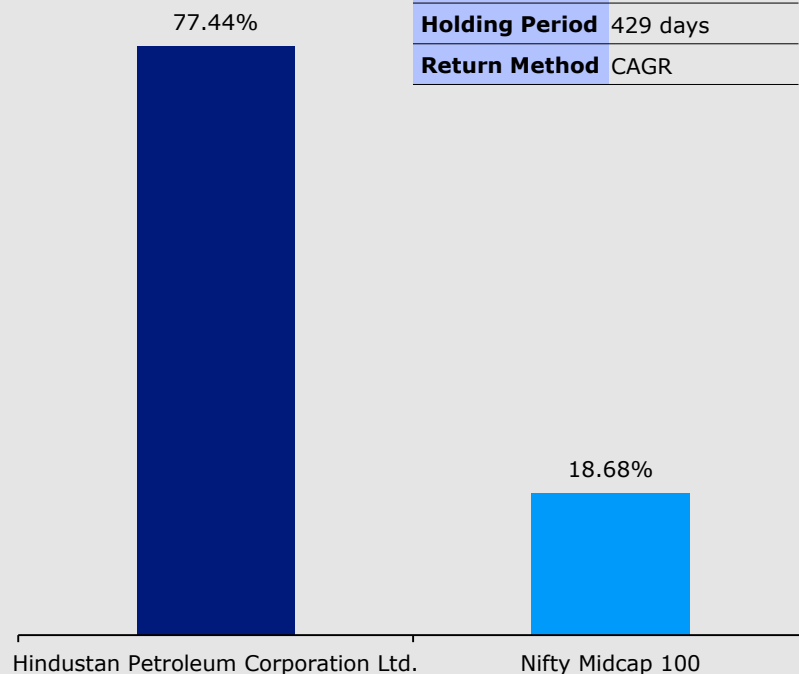


Attractive yield & valuations

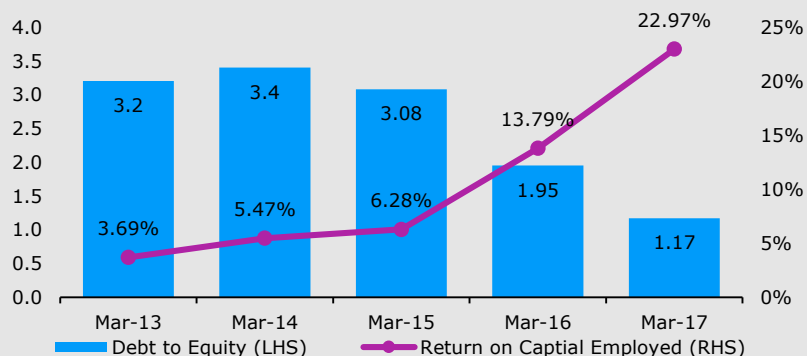


Stock / Benchmark Performance

Purchase Date	Dec 17, 2015
Sale Date	Feb 17, 2017
Holding Period	429 days
Return Method	CAGR



Improved returns ratios & reduced financial leverage



Past performance may or may not be sustained in future. Return Method: Compound Annual Growth Return (CAGR).

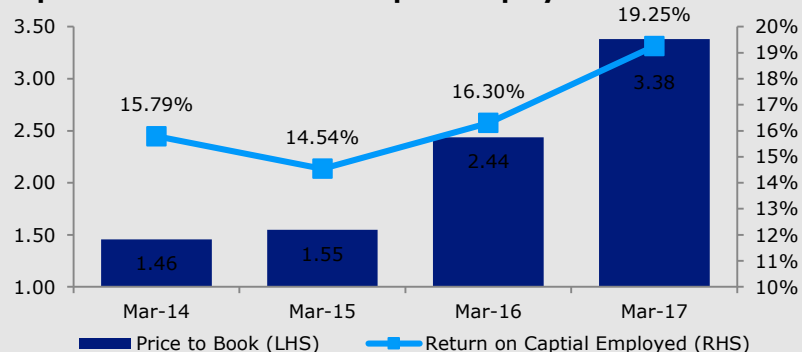
Note: Performance has been shown from the period when stock was included in the portfolio. **Source: NSE/Capitaline/Internal.** The stock referred above should not be construed as recommendations from Invesco Asset Management (India) Private Limited. The Portfolio may or may not have any present or future positions in these stock or in any other portfolios offered by Invesco Asset Management (India) Private Limited. The performance of above stocks should not be construed as performance of the portfolio as the portfolio would be constituted of number of stocks having different weights and the individual stock held by the portfolio may or may not give positive returns. **Invesco Asset Management (India) Private Limited is not guaranteeing or promising or forecasting any returns.**

KEC International Ltd.

Free cash flow generation leads to re-rating.

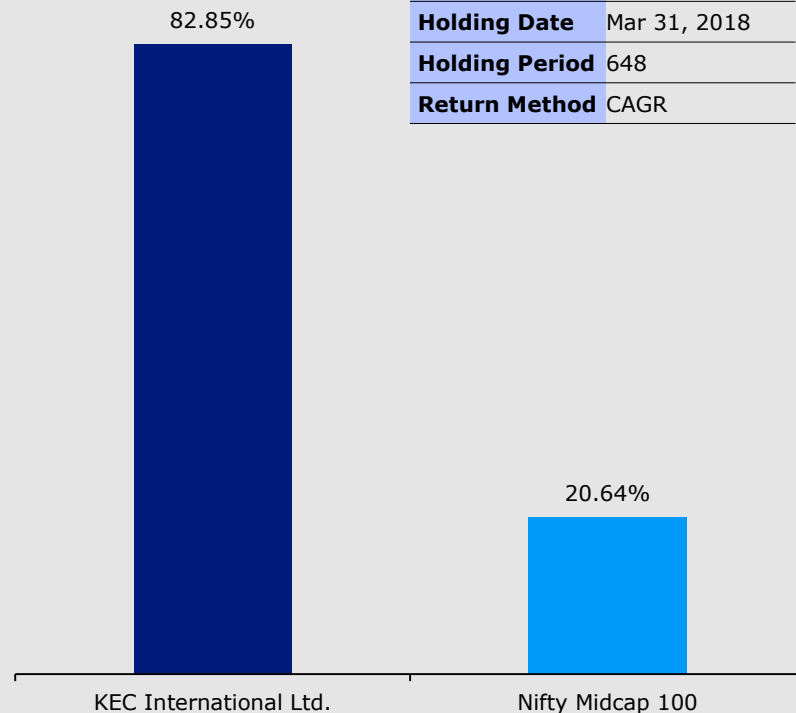


Improvement in Return on Capital Employed

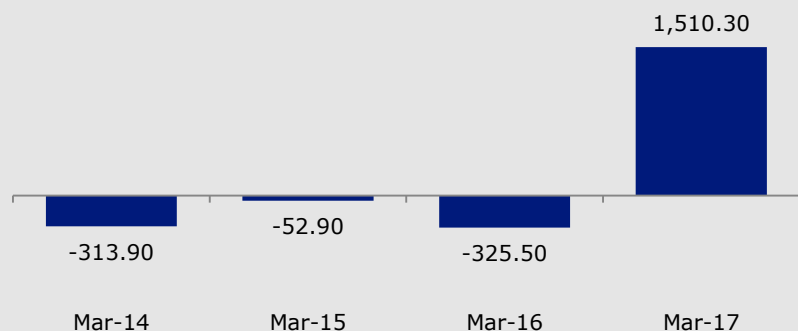


Stock / Benchmark Performance

Purchase Date	Jun 22, 2016
Holding Date	Mar 31, 2018
Holding Period	648
Return Method	CAGR



Improved working capital lead to generation of free cash



Past performance may or may not be sustained in future. Return Method: Compound Annual Growth Return (CAGR).

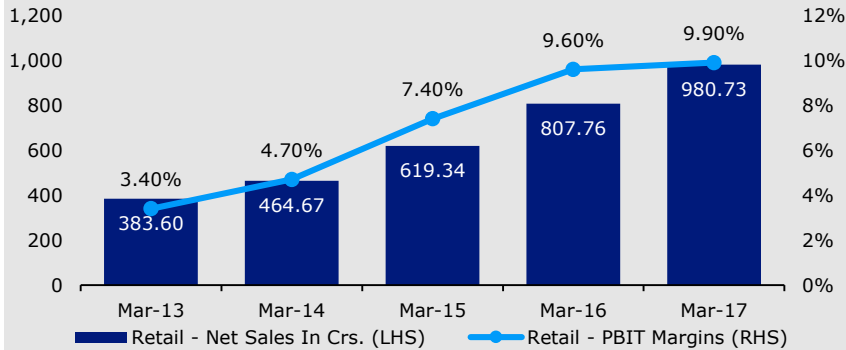
Note: Performance has been shown from the period when stock was included in the portfolio. **Source: NSE/Capitaline/Internal.** The stock referred above should not be construed as recommendations from Invesco Asset Management (India) Private Limited. The Portfolio may or may not have any present or future positions in these stock or in any other portfolios offered by Invesco Asset Management (India) Private Limited. The performance of above stocks should not be construed as performance of the portfolio as the portfolio would be constituted of number of stocks having different weights and the individual stock held by the portfolio may or may not give positive returns. **Invesco Asset Management (India) Private Limited is not guaranteeing or promising or forecasting any returns.**

Shankara Building Products Ltd.

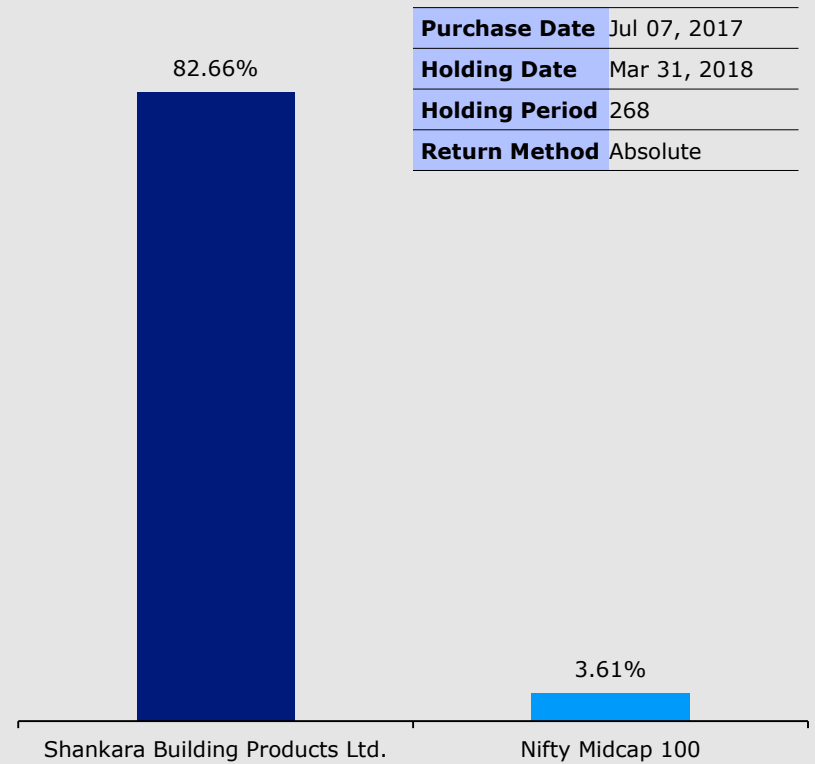
Scaling up the specialty retail business



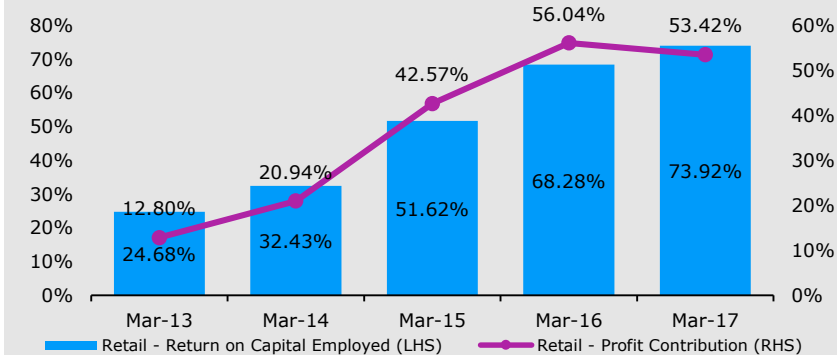
Scale lead to better profit margin



Stock / Benchmark Performance



Contribution of retail business increases profit



Past performance may or may not be sustained in future. PBIT: Profit Before Interest and Taxes. Return Method: Absolute

Note: Performance has been shown from the period when stock was included in the portfolio. **Source: NSE/Capitaline/Internal.** The stock referred above should not be construed as recommendations from Invesco Asset Management (India) Private Limited. The Portfolio may or may not have any present or future positions in these stock or in any other portfolios offered by Invesco Asset Management (India) Private Limited. The performance of above stocks should not be construed as performance of the portfolio as the portfolio would be constituted of number of stocks having different weights and the individual stock held by the portfolio may or may not give positive returns. **Invesco Asset Management (India) Private Limited is not guaranteeing or promising or forecasting any returns.**

Key Portfolio Facts



Portfolio Name	Invesco India Caterpillar Portfolio		
Investment Objective	To achieve capital appreciation over a long term by investing in a diversified portfolio.		
Indicative Asset Allocation	Instruments	Indicative Allocation (% of Portfolio Value)	Risk Profile
	Equity & Equity Related Instruments ¹	90–100%	High
	Cash & Cash Equivalent	0–10%	Low to medium
	¹ The Portfolio may have exposure to derivatives upto 30% of portfolio value in accordance with guidelines issued by SEBI.		
Benchmark	Nifty Midacap 100 Index		
Portfolio Manager	Mr. Chetan Shah Total Experience: 23 Years. Experience in managing this portfolio: Since December 21, 2009.		
Inception Date	June 26, 2006		
Minimum Investment	INR 25 Lacs Subscription Mode: Cheque and/or Stock Transfer.		

Who Should Invest



- Investor with ability to take higher risk
- Investor seeking long term capital appreciation
- Investor who is comfortable with short term volatility
- Investor without short term liquidity needs

Portfolio Manager



Mr. Chetan Shah, CFA

Senior Portfolio Manager – Portfolio Management Services

Chetan has experience of 23 years in Indian equity markets; of which 11 years were spent in portfolio management and previous 11 years were in equity research. He has been with PMS division since inception. Prior to this he worked with Quantum Securities as Head of Research and at DBS Securities India as a Senior Analyst. Quantum Securities was ranked amongst the Top 20 local brokers in Asia Money Broker Poll for 2003 under the 'Most Independent Research', 'IT Services' and 'Overall' categories. In the 2004 poll was ranked amongst the Top 20 local brokers in 'Auto Ancillaries' category under his leadership. Chetan holds an Electronics Engineering degree, a PGDM from Jamnalal Bajaj Institute of Management Studies and a CFA charter from CFA Institute, USA. He is a member of the Board of the Director of Indian Association of Investment Professionals (IAIP), a not-for-profit organization and member society of CFA Institute, promoting ethics and professional excellence in the industry

Compliance Information



Disclaimer: This presentation does not solicit any action based on the material contained herein. Invesco Asset Management (India) Private Limited ("the Portfolio Manager/the Company/IAM") will not treat recipients as clients by virtue of their receiving this presentation. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this presentation. The Co's/sectors referred in this presentation are only for the purpose of explaining the concept of Portfolio and should not be construed as recommendations from Portfolio Manager. The Portfolio may or may not have any present or future positions in these stocks. The Portfolio(s) discussed in the presentation may not be suitable for all the investors. The recipient of this material alone shall be fully responsible/liable for any decision taken on the basis of this material. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. The distribution of this presentation in certain jurisdictions may be restricted or totally prohibited to registration requirements and accordingly, persons who come into possession of this presentation are required to inform themselves about and to observe any such restrictions and/ or legal compliance requirements. Persons who may receive this presentation should consider and independently evaluate whether it is suitable for his/her/their particular circumstances and are requested to seek professional/financial advice. Past performance is not a guide for future performance. Future returns are not guaranteed and a loss of principal may occur. The Company and its affiliates accept no liabilities for any kind of loss arising out of the use of this presentation. With respect to all information found in this presentation the Company has obtained data from sources it considers reliable however, the Company and its directors, officers, agents, or employees and its affiliates make no warranty, express or implied, including the warranties of merchantability and fitness for a particular purpose, or assume any legal liability or responsibility for the accuracy, completeness, or usefulness of any information contained therein and the Company shall not be liable for any indirect, incidental or consequential damages sustained or incurred in connection with the use, operation, or inability to use this presentation and information contained therein. Under no circumstances will the Portfolio Manager be liable for any loss or damage caused by anyone's reliance on information contained in this presentation.

Risk Factors: All securities investments are subject to market risks and there can be no assurance that the objectives of the portfolio(s) will be achieved. Each portfolio will be exposed to various risks depending on the investment objective, investment strategy and the asset allocation. The performance of the portfolio may be affected by changes in factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political, economic or other developments, general decline in the Indian markets, which may have an adverse impact on individual securities, a specific sector or all sectors. Further, the investments by the portfolio shall involve investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of capital. The portfolio with investment objective to invest in a specific sector/industry would be exposed to risk associated with such sector/industry and its performance will be dependent on performance of such sector/industry. The Portfolio Manager in accordance with the features of respective Portfolio may use derivatives which require an understanding not only of the underlying instrument but of the derivative itself. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the Portfolio Manager to identify such opportunities. The decisions of Portfolio Manager may not always be profitable. The portfolio, returns and expenses charged including Portfolio Management fees for each Client may differ from that of the other Client. Investors of the Portfolio Management Services are not being offered any guaranteed/assured returns. The Portfolio Manager may invest in shares, debt, units of mutual funds, deposits or other financial instruments of associate/ group Co's. The name of the portfolio(s) does not in any manner indicate either the quality of the product or their future prospects and returns. Securities investments are subject to market risk, investors are advised to read the risk factors given in the Portfolio Management Services Agreement and Disclosure Document carefully before making investments.







Get in Touch



Corporate Office:

Invesco Asset Management (India) Private Limited

2101-A, A Wing, 21st Floor, Marathon Futurex,
N. M. Joshi Marg, Lower Parel, Mumbai – 400013
T +91 22 67310000 F +91 22 23019422

To invest:

Call 1800-209-0007 Δ sms 'Invest' to 56677
Invest Online www.invescomutualfund.com

Follow us on



Thank You

