

UTI Focussed Equity Fund – Series I (1100 Days)

NFO Period: August 13, 2014 - August 27, 2014

This product is suitable for investors who are seeking*:

- Long term capital growth
- A close ended scheme that aims to provide capital appreciation by investing in equity and equity related securities

HIGH RISK  (Brown)

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



(Blue) investors understand that their principal will be at low risk



(Yellow) investors understand that their principal will be at medium risk



(Brown) investors understand that their principal will be at high risk



UTI Mutual Fund

Agenda

Equity Markets: Report Card

Stock Selection @ UTI Mutual Fund

Bull-market Investing - Myth buster

UTI Focussed Equity Fund – Series I (1100 days)



Equity Markets: Report Card

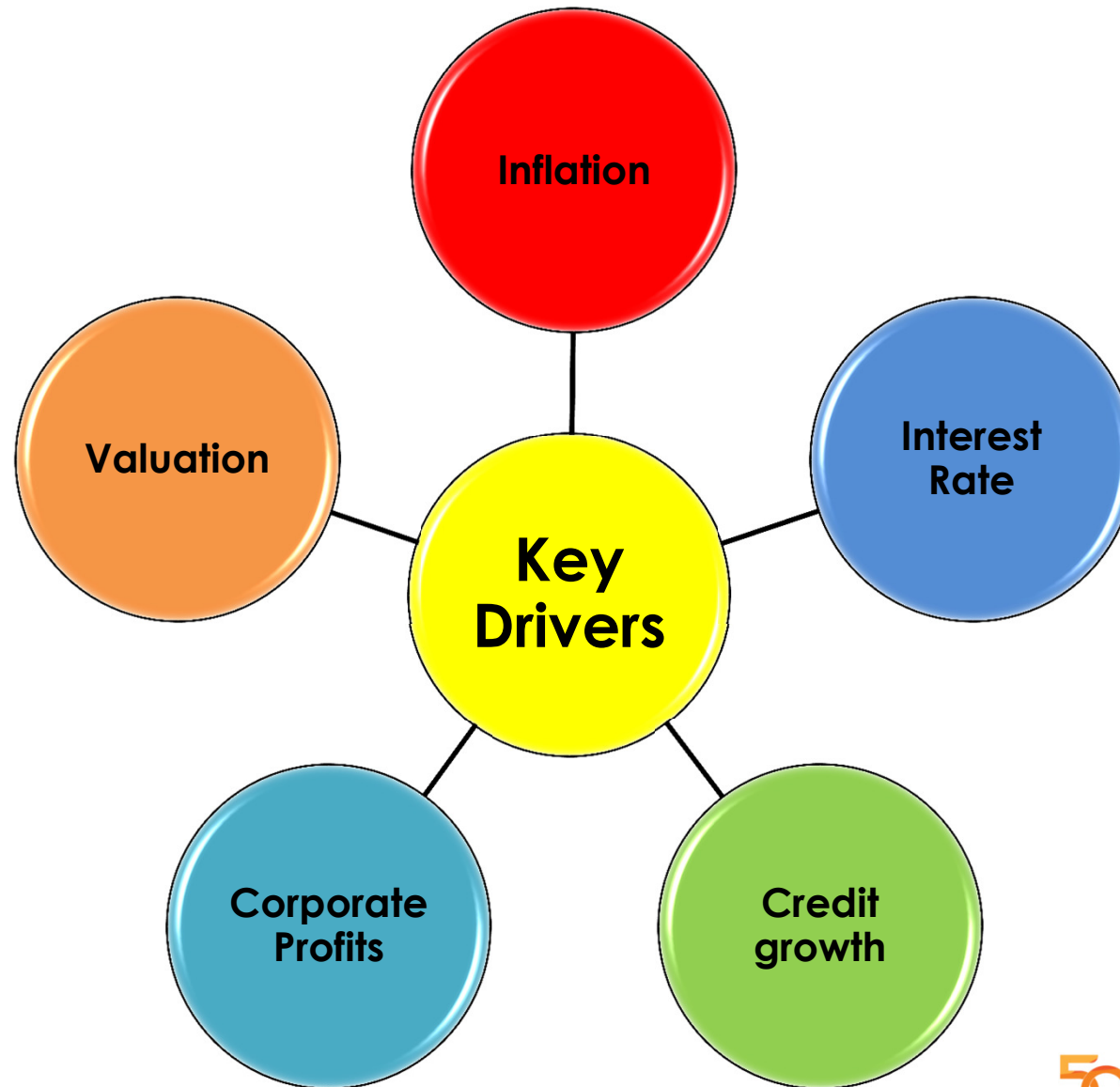
Stock Selection @ UTI Mutual Fund

Bull-market Investing - Myth buster

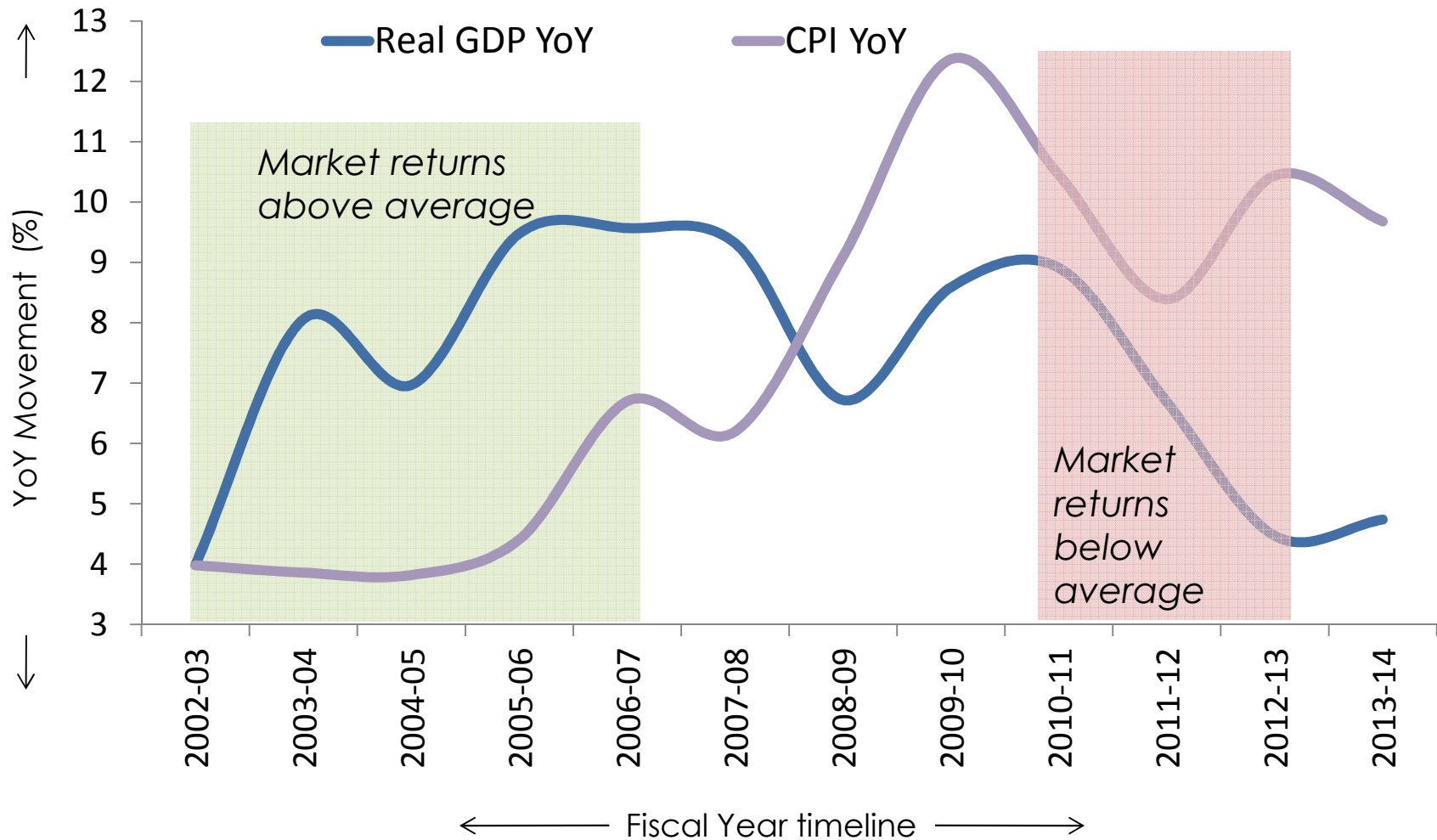
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Equity Markets: Key Drivers for Growth



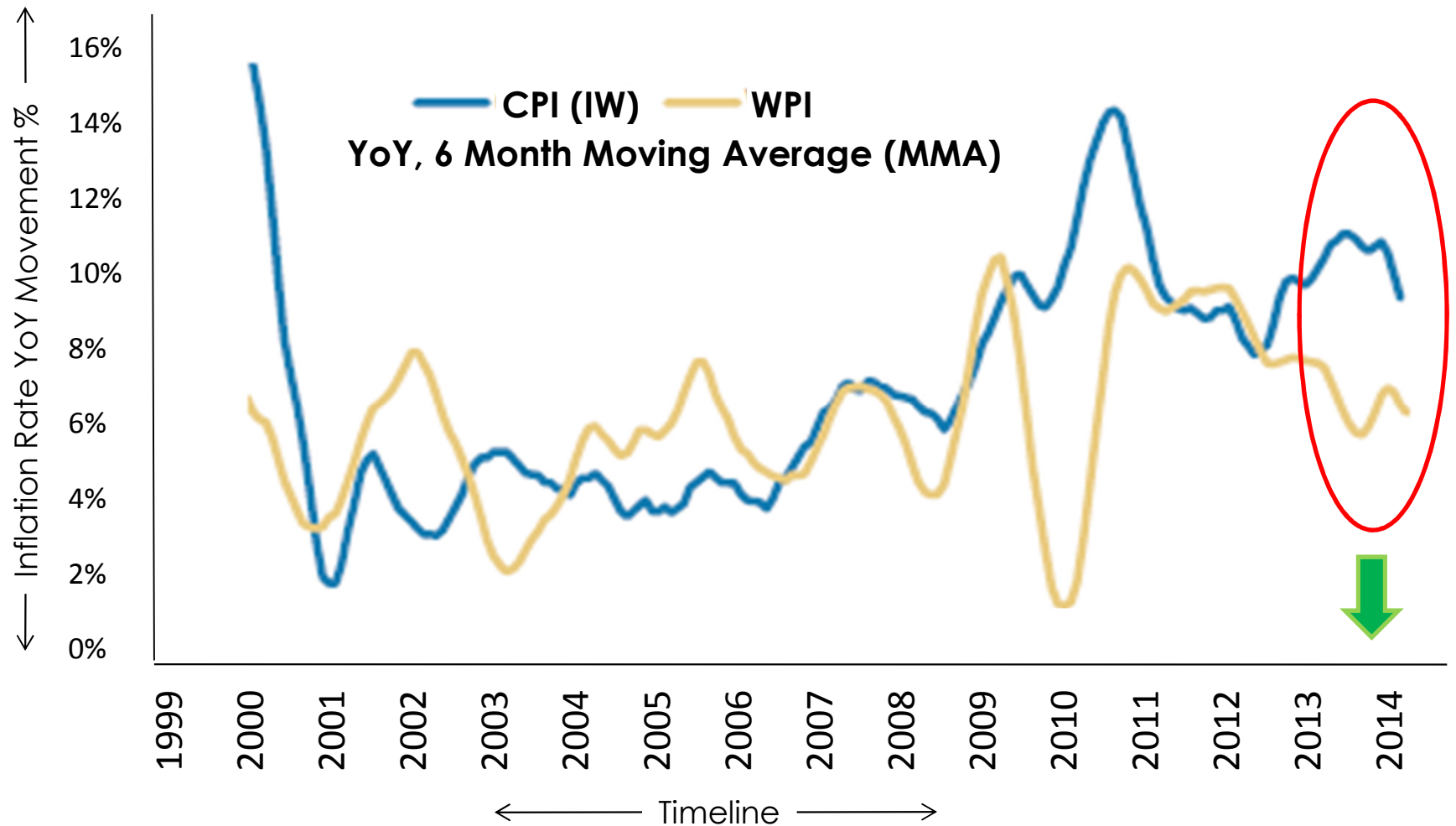
Lower inflation essential to growth in equity markets



Data Source: CMIE & MOSPI; YoY: Year on Year



Inflation expected to fall steadily...

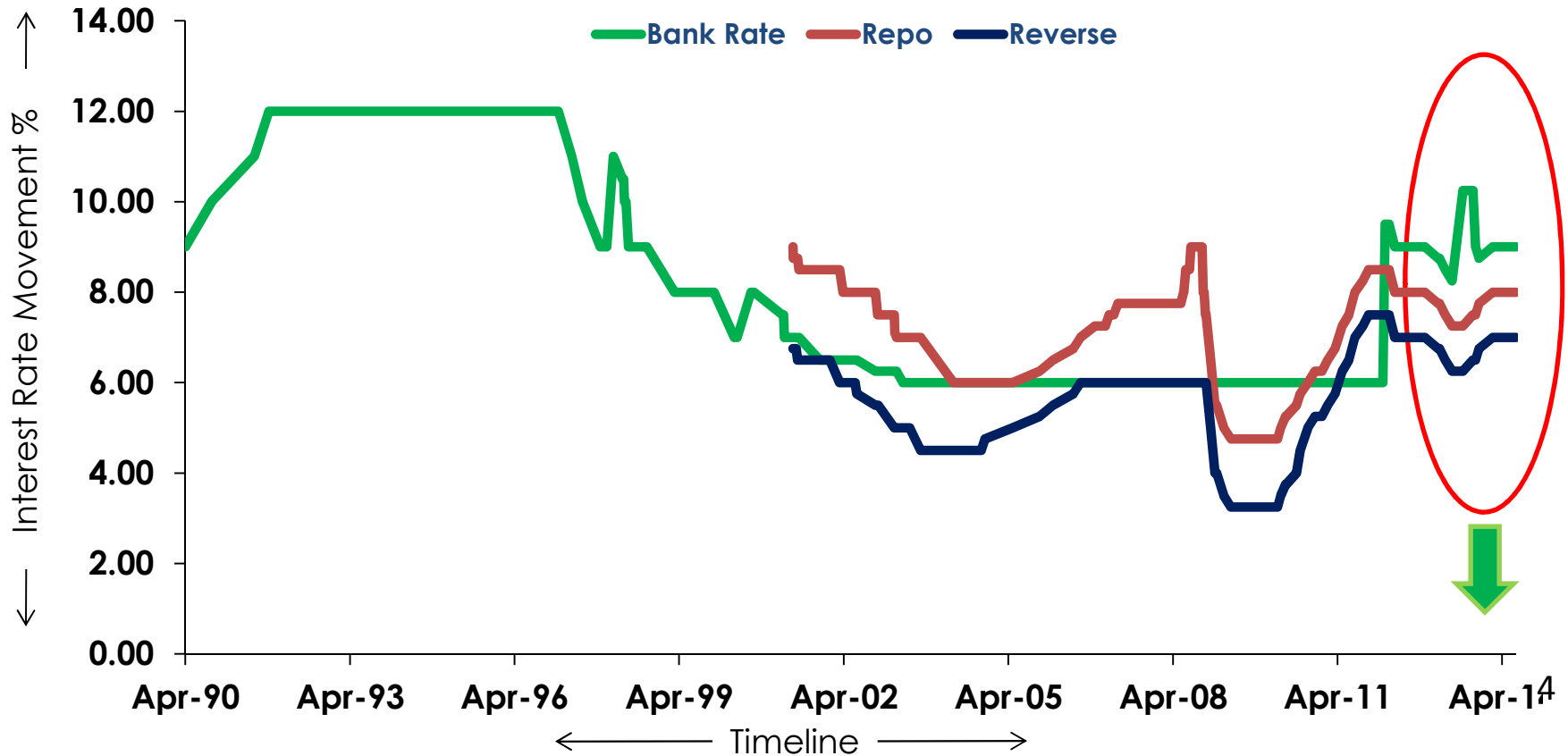


Data Source : Morgan Stanley Research



...Leading to lower interest rates...

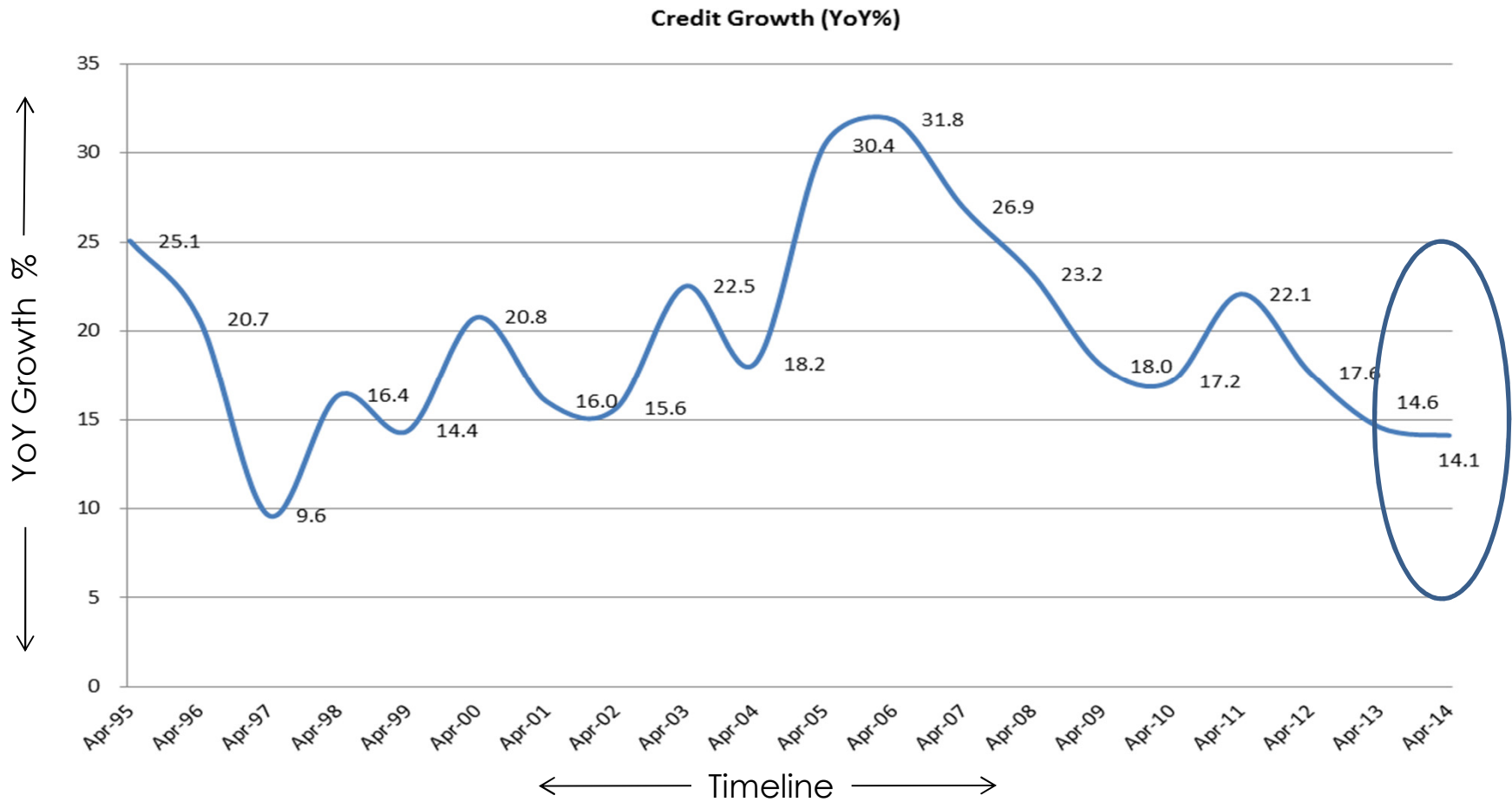
Key Policy and Money Market Rates



Data Source : Morgan Stanley Research, E=Morgan Stanley Estimates
Note: Liquidity Adjustment Facility using repo and reverse repo started from 2001



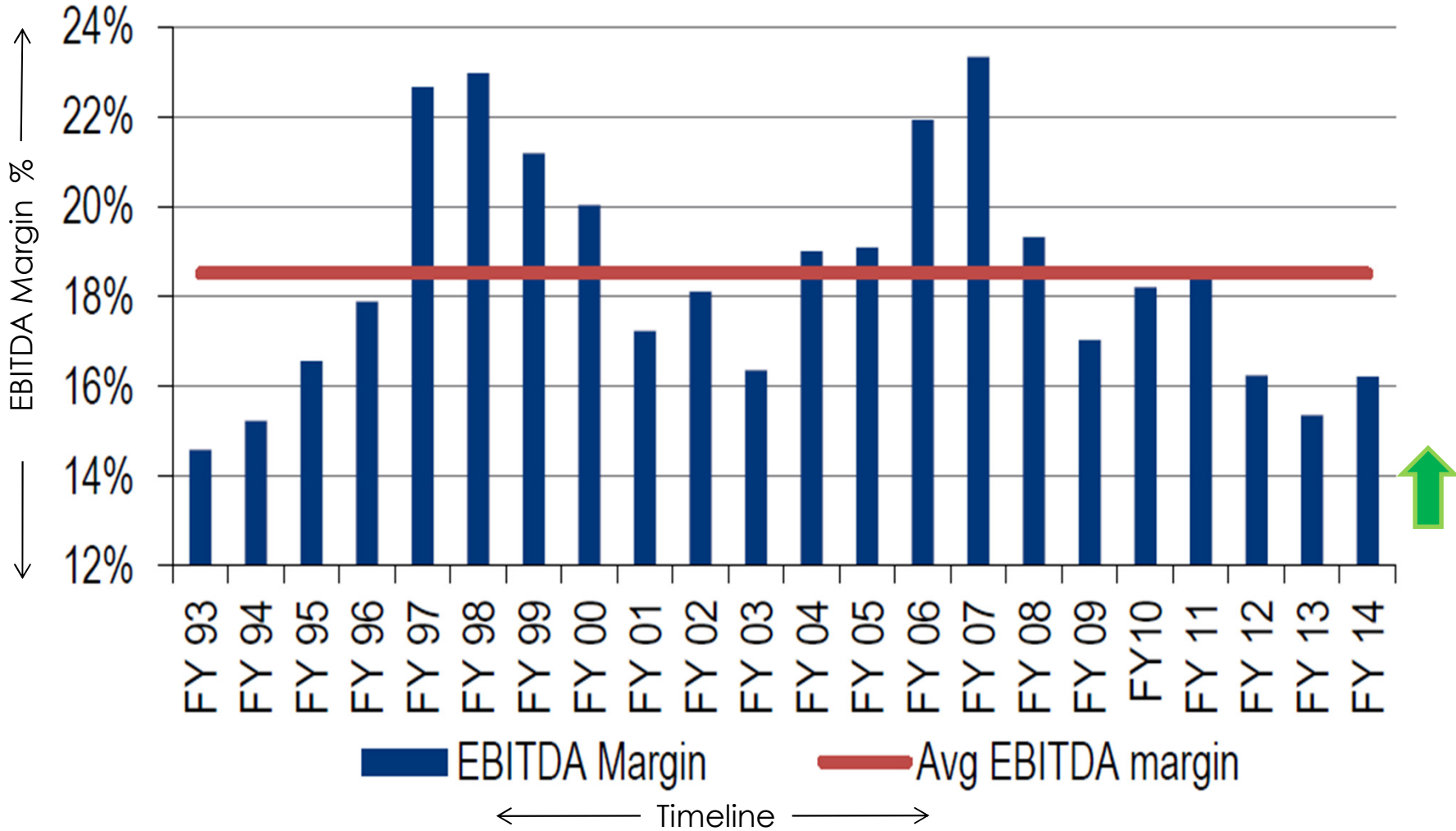
...Fuelling credit growth going forward....



Data Source : Phillip Capital



Headroom for EBITDA margins improvement...

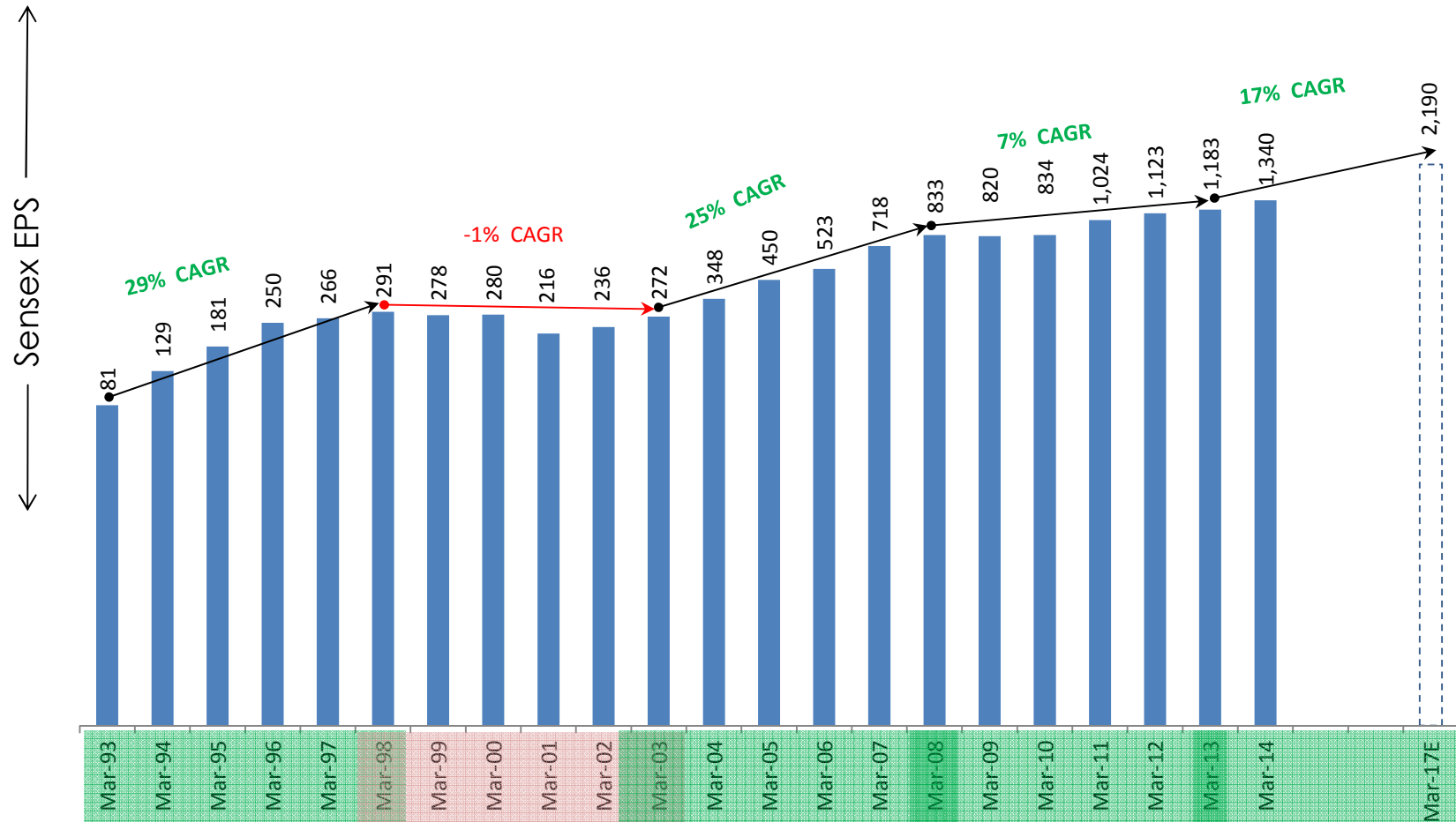


Data Source: Bank of America-Merrill Lynch Global Research



....expected to result in earnings acceleration

Sensex EPS Trend

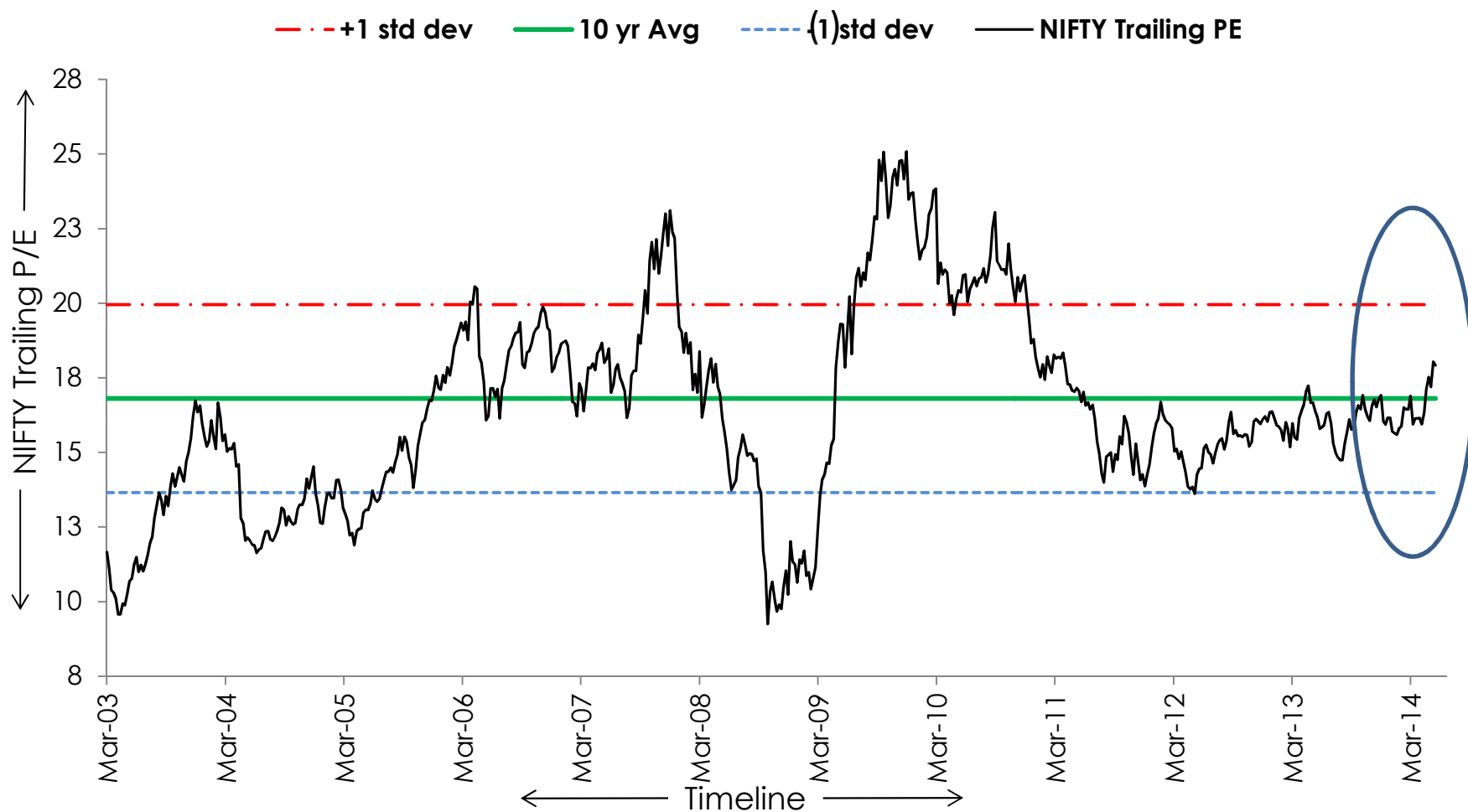


← Timeline →

Data Source: Motilal Oswal Ltd., Sensex EPS: Refer Glossary



P/E Valuations near Long term average



Data Source: Bloomberg, E: Estimates



Equity Markets: Report Card

Inflation



Interest Rates



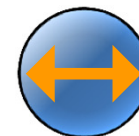
Credit Growth



Corporate Profits



Valuation



Equity Markets: Report Card

Stock Selection @ UTI Mutual Fund

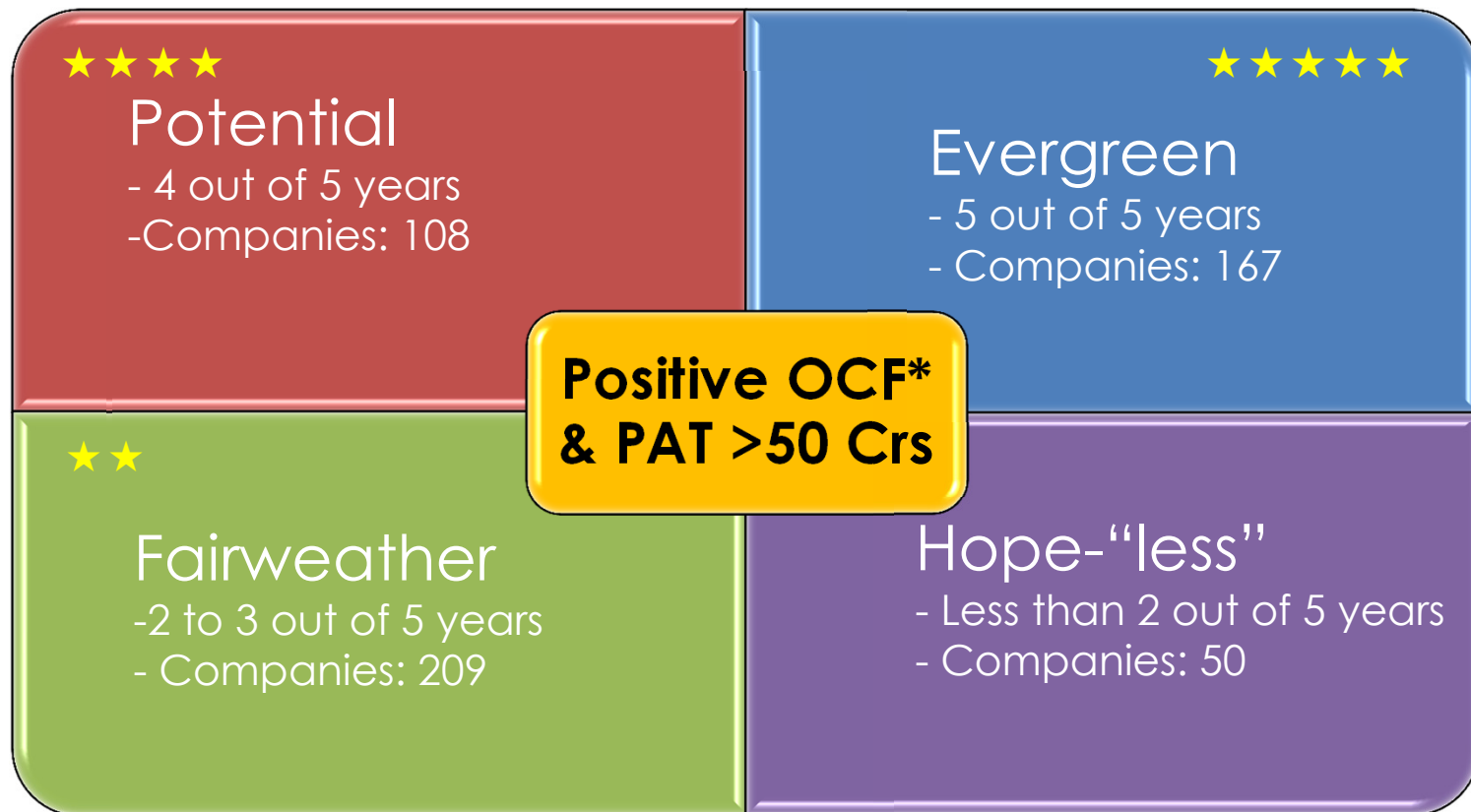
Bull-market Investing - Myth buster

UTI Focussed Equity Fund – Series I (1100 days)



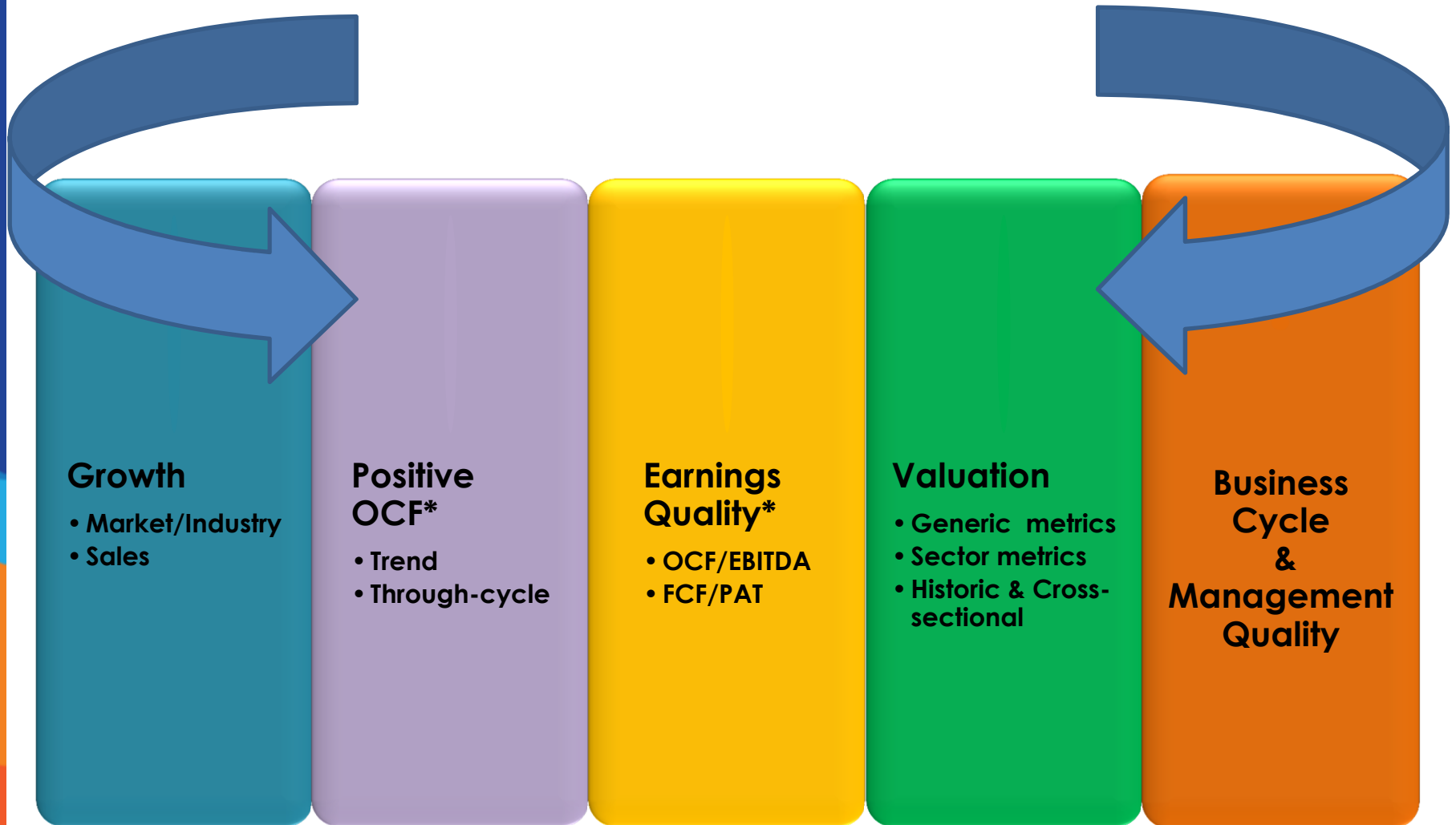
“A great business at a fair price is superior to a fair business at a great price” Charlie Munger

- Focus on quality is the cornerstone of our investment process
- 95% of our AUM is in the Evergreens and Potential



*OCF: Operating Cash Flow = Profit After Tax (PAT)+Depreciation + Changes in working capital
Universe of Companies: CNX 500 and Companies that UTI Mutual Fund is currently invested in.

Framework for investing in a stock



* Key differentiators for UTI Mutual Fund





Equity Markets: Report Card

Stock Selection @ UTI Mutual Fund

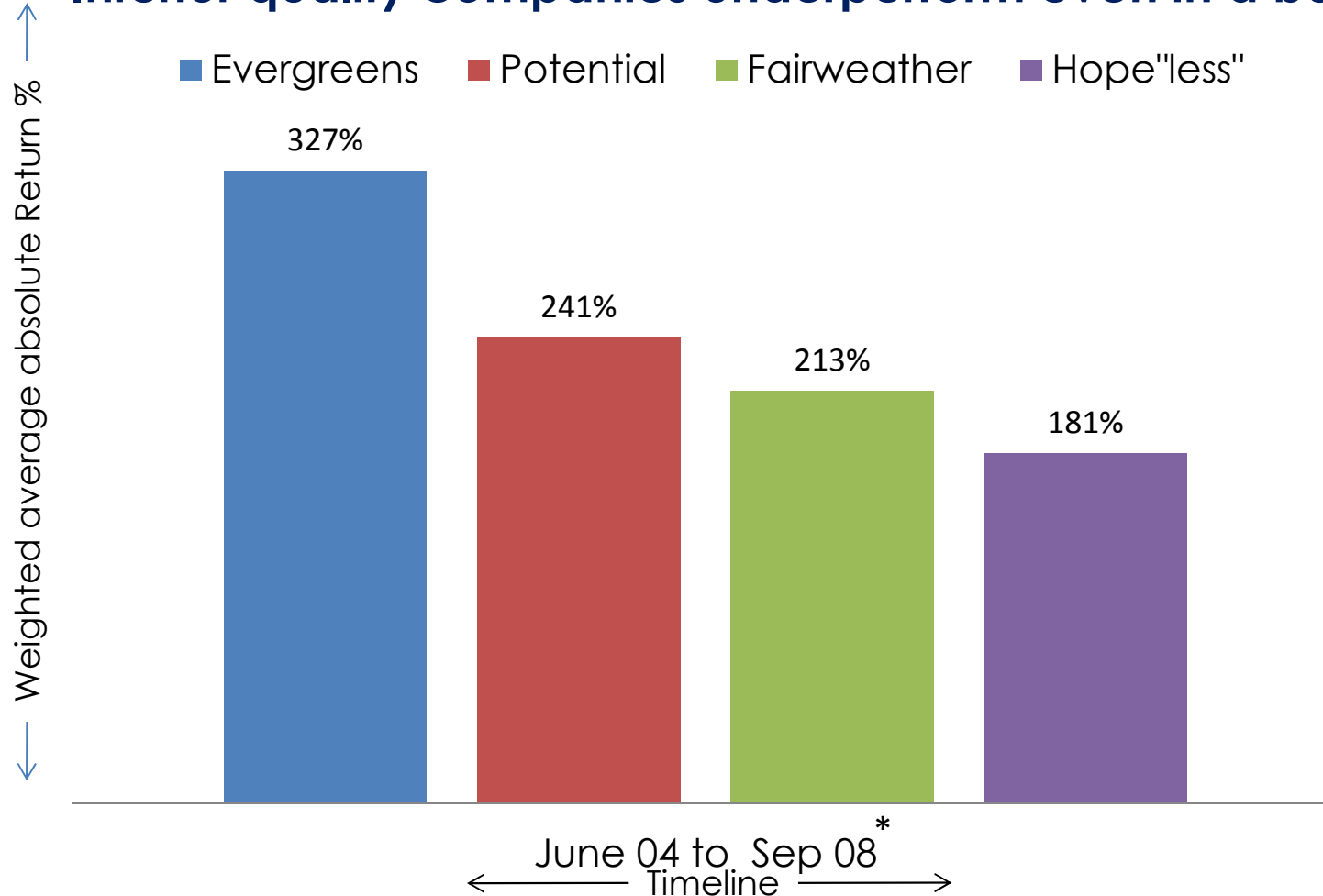
Bull-market Investing - Myth buster

UTI Focussed Equity Fund – Series I (1100 days)



Bull-market Investing - Myth* buster

***Inferior quality companies underperform even in a bull market**

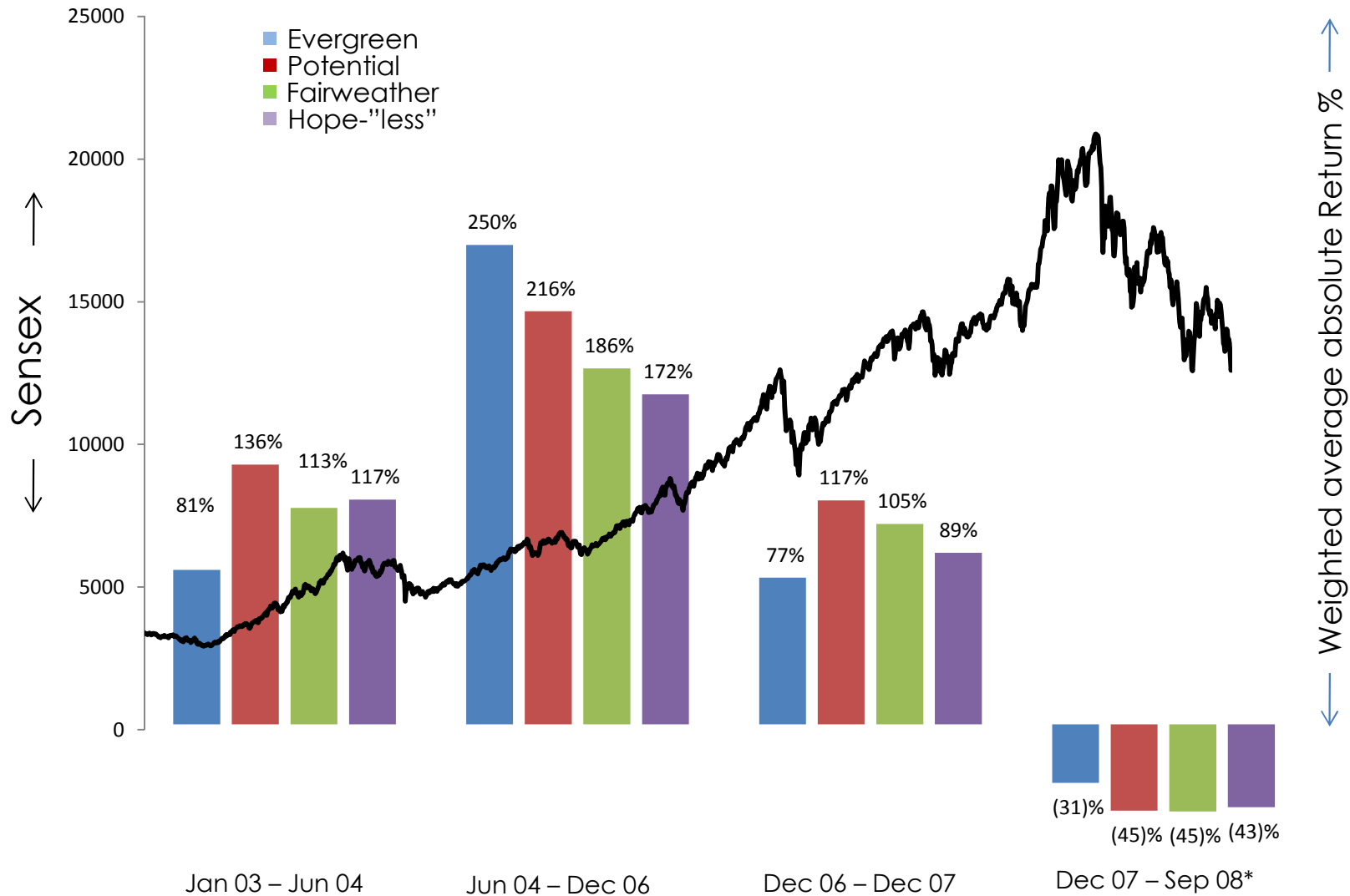


Data Source: Bloomberg,

Methodology: The **weighted average absolute returns** of the stocks in the respective quadrants have been taken after removing the top two and bottom two outliers in each quadrant. * Lehman Crisis of Sep 2008



“ Investment is the discipline of relative selection” Howard Marks



Data Source: Bloomberg,
Methodology: The weighted average absolute returns of the stocks in the respective quadrants have been taken after removing the top two and bottom two outliers in each quadrant. * Lehman Crisis of Sep 2008



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UTI Focussed Equity Fund – Series I (1100 days)





**STRATEGY. FOCUS.
PATIENCE. VICTORY.**

Introducing the 'UTI Focussed Equity Fund' Series I
(1100 Days)

NFO Period: August 13, 2014 to August 27, 2014

UTI Focussed Equity Fund – Series I

Name of the scheme	UTI Focussed Equity Fund – Series I (1100Days)
Type of Scheme	A Close ended equity scheme
Scheme Objective	The primary objective of the scheme is to generate long term capital appreciation by investing predominantly in equity and equity related securities of listed companies. The scheme will without any capitalization bias endeavor to invest in either growth stocks or value stocks or both. The Scheme will normally hold upto 30 stocks in the portfolio. The Scheme does not guarantee/indicate any returns. There can be no assurance that the Scheme's objectives will be achieved.
Fund Manager	Anoop Bhaskar & Lalit Nambiar
Benchmark	S&P BSE200
NFO Period	August 13, 2014 to August 27, 2014
Tenure	1100 days
Minimum Application Amount	Rs. 5000/-
Plans Available	Regular & Direct
Load Structure	Entry Load: Not Applicable Exit Load: For Redemptions made on the Maturity Date / Final Redemption Date, the AMC will not charge any Exit Load.
Options Available	Growth & Dividend option with payout facility



UTI Focussed Equity Fund – Portfolio Construction

- No. of stocks (Maximum): 30 (UTI MF's best stock ideas)
- No capitalization bias
- No style bias
- No theme bias
- Single-Stock limit: 8%
- Sector limit: 30%





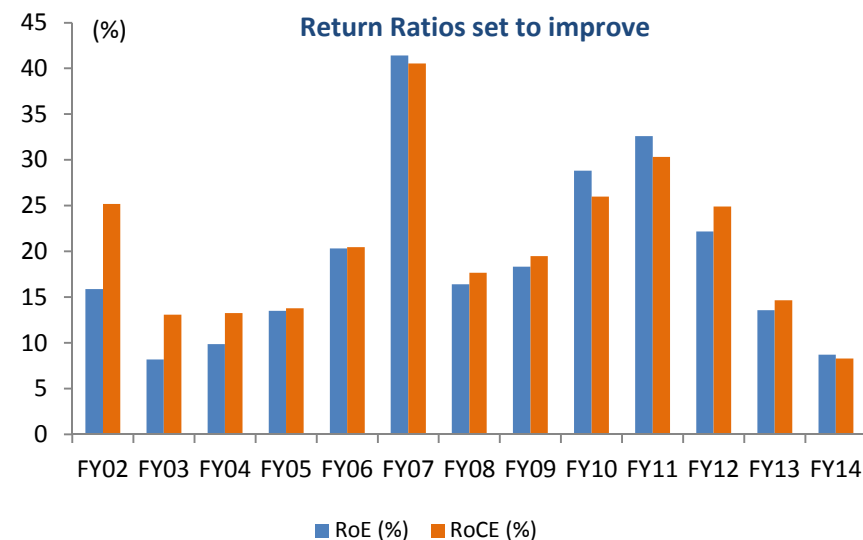
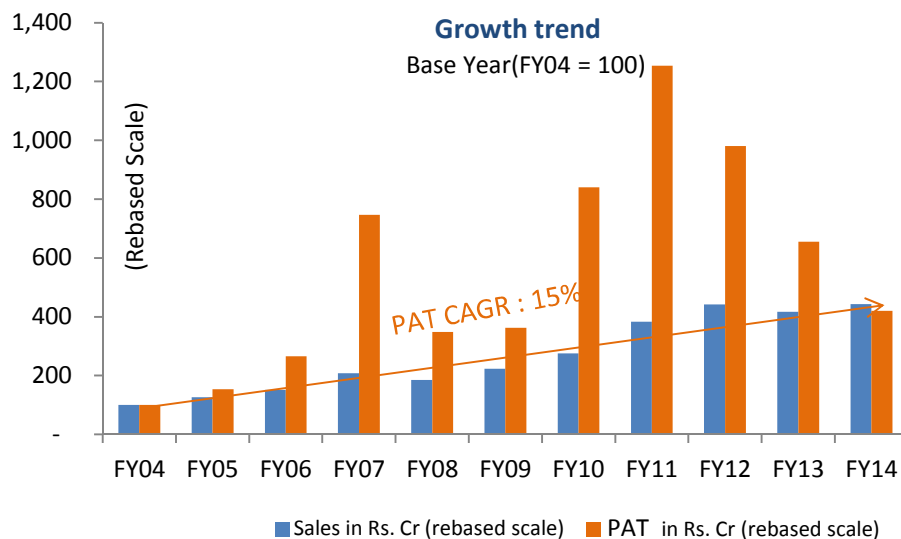
A few illustrative stock ideas



Evergreen

Evolving specialty-chemical story

- Leading specialty chemical player with niche expertise in new chemistry
- Company is on verge of exponential growth in speciality chemicals business
- Stable cash generation in base business, enabling investments in higher RoCE businesses
- Leading player in refrigerant gas business with 40% domestic market share
- Recent capex phase to bear fruit over next 5 years



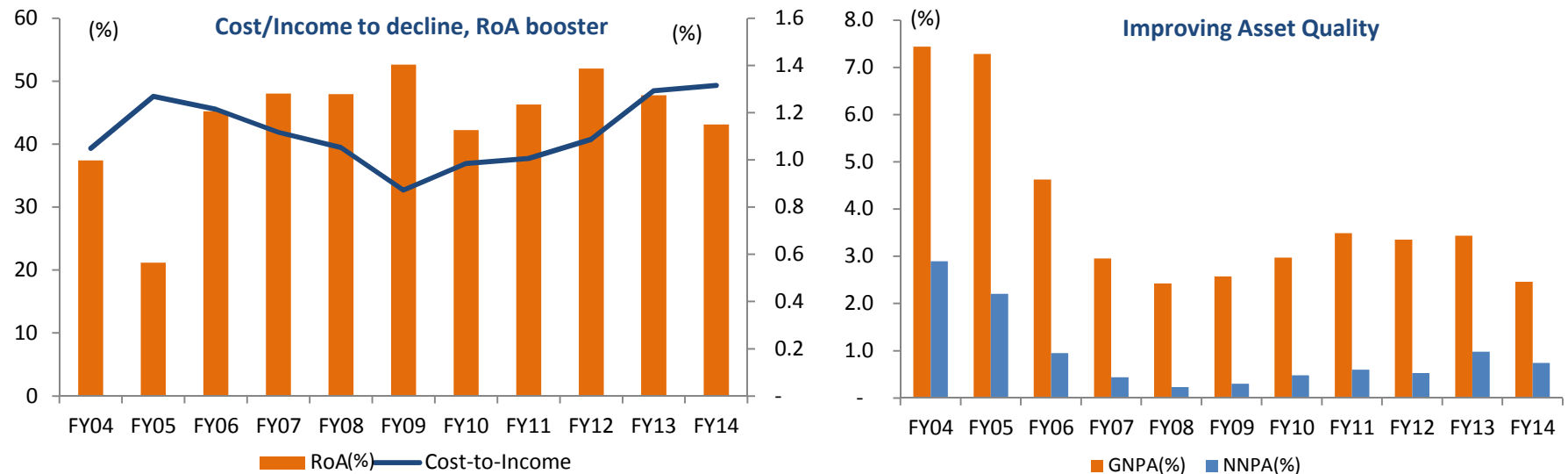
Data Source: Bloomberg. The chart above is for illustrative purposes only and should not be construed as advice. The above is to illustrate the concept of identifying stocks in the market. There is also a possibility of the expected event not happening or some other unforeseen event that may affect performance of the company. The performance of stocks would ultimately depend on various factors such as prevailing market conditions, global political scenario, exchange rate etc. Investors are requested to note that there are various factors (both local and international) that can have impact on the future performance and expectations of any company. Information given is available in public domain. There is no assurance or guarantee of any company being able to sustain its performance in future. There is no assurance or guarantee that the scheme would invest in this stock.



Evergreen

Regional bank going national

- Strong regional franchise rolling out pan-India under a new management
- Large NRI deposit franchise complemented by CASA deposits
- Consolidation and investment phase over, ripe for rise in returns on investments
- 6 quarters of improving asset quality in an environment of severe asset stress
- Capital efficient with no dilution for last 5 years, despite doubling the asset.

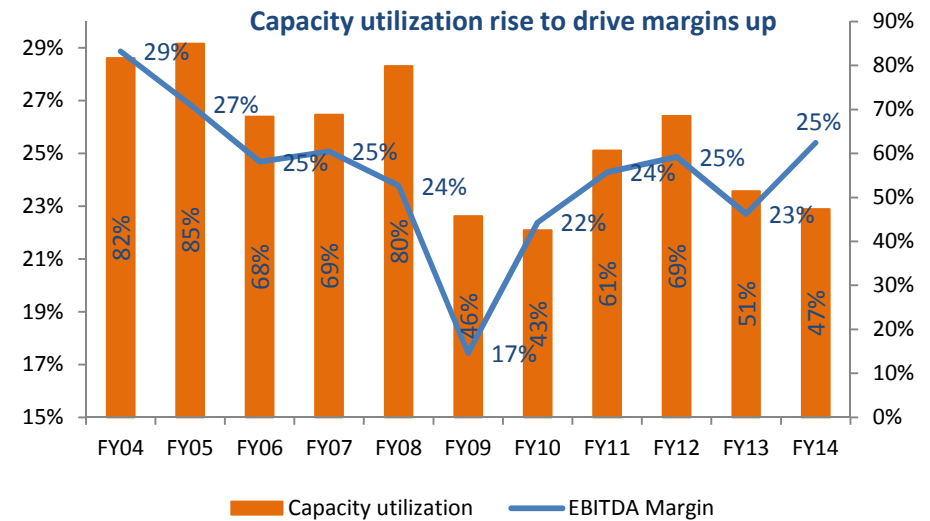
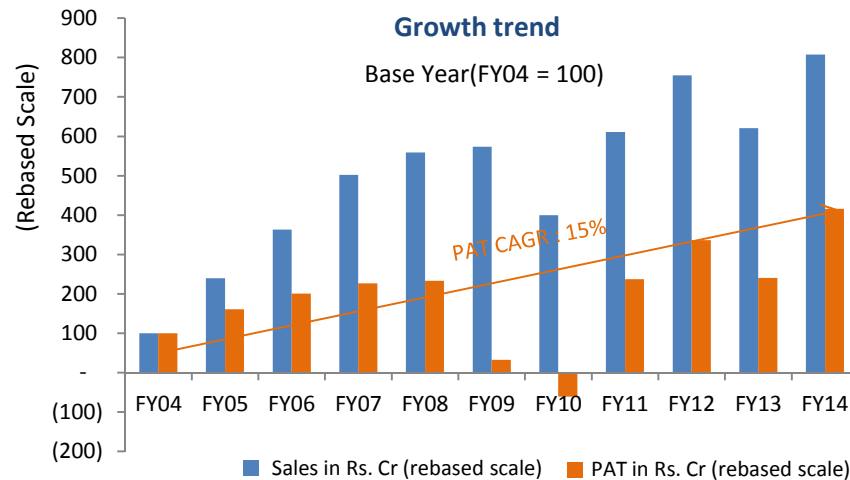


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Global Engineering Model

- A leading player in global heavy commercial vehicles' forging space
- Has developed comprehensive product range for the Non-auto segment
- Emerged stronger post the global financial crisis
- FCF generation to accelerate, as the recent capex phase is now over
- Entry into new areas : including passenger cars and energy

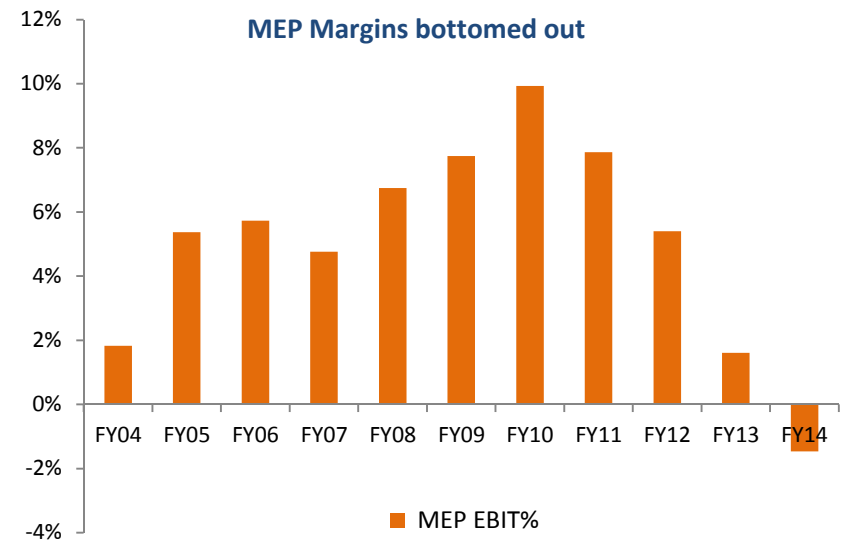
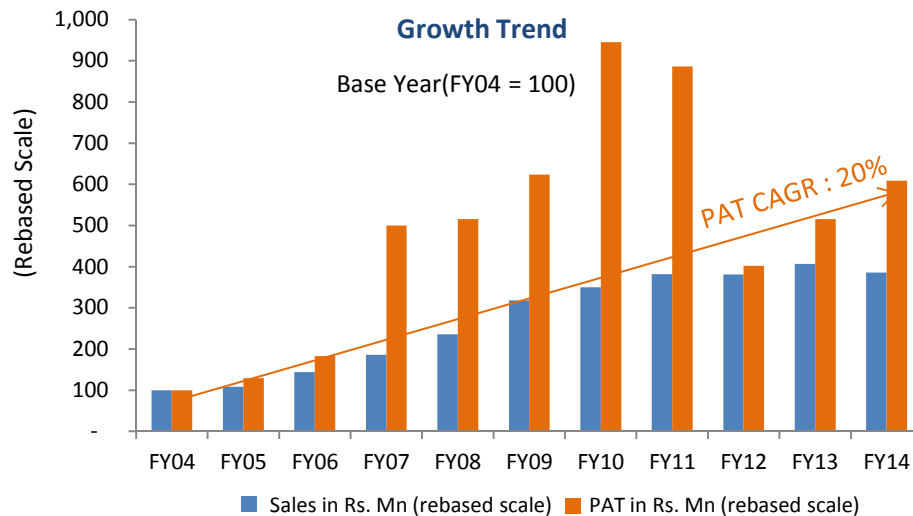


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Potential

'Cool' India franchise

- Market leader in room air conditioner(RAC) segment in India
- 23% Industry CAGR in prior growth phase(FY04-11); ~17% CAGR expected in FY14-17
- Change in product mix & brand salience to support margin expansion
- Well placed to capitalise on cyclical recovery in MEP* business in India and Middle East
- Well managed MEP business with limited working cap. and high potential ROCE

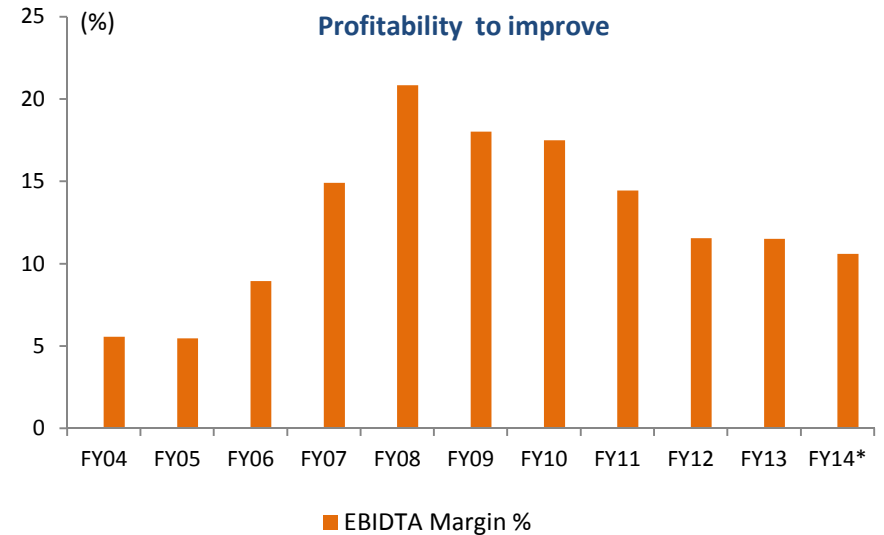
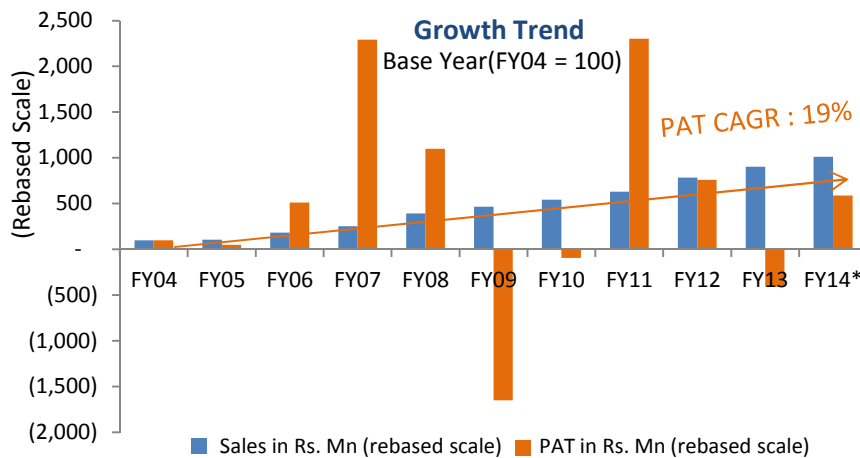


*MEP-Mechanical Engineering Plumbing

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An MNC Transformation

- Top play on 'premiumisation' theme in the consumer discretionary segment
- Poised to be the biggest beneficiary of increasing discretionary spend
- Industry leadership and MNC management provide the best of both worlds
- Value un-locking from tighter working capital, and price-led margin expansion
- Investments in back end ensures an un-parallel competitive advantage



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In short....

- Equity markets poised for growth
- Focus on quality
- Gain from concentration
- Time-in over timing

Strategy

Focus

Patience

Now, Invest in a fixed period concentrated equity portfolio

Accelerate your wealth creation



Thank You



Disclaimers

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

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Glossary

GDP:	Gross Domestic Product
CPI (IW):	Consumer Price Index for Industrial Workers
WPI:	Wholesale Price Index
EBITDA:	Earnings before interest, taxes, depreciation and amortization
EPS:	Earnings Per Share
CAGR:	Compound Annualized Growth Rate
Std. Dev:	Standard Deviation
AuM:	Assets under management
RoA:	Return on Assets
PAT:	Profit after tax
Lev:	Leverage
FCF:	Free Cash Flow
ROE:	Return on Equity
ROCE:	Return on capital employed
GNPA:	Gross Non Performing Assets
NNPA:	Net Non Performing Assets
+/-1 Std Dev:	68% of the values are within 1 standard deviation of the mean
Sensex EPS:	Aggregated for 30 companies in the Sensex $A = \sum (\text{Absolute Adjusted PAT} * \text{Free Float Factor}) = \sum \text{Free Float PAT}$ For 30 companies, $B = \sum \text{Free Float Mkt Cap}$ $P/E = \text{Free Float Mkt Cap} / \text{Free Float PAT}$ $\text{Sensex EPS} = \text{Sensex Value} / (P/E)$
NRI:	Non Resident Indian
CASA:	Current Account Savings Account
CMIE:	Centre of Monitoring Indian Economy
MOSPI:	Ministry of Statistics and Programme Implementations
MNC:	Multi National Company
NFO:	New Fund Offer
Charlie Munger :	He is an American business magnate, lawyer, investor, and philanthropist. He is Vice-Chairman of Berkshire Hathaway Corporation, the diversified investment corporation chaired by Warren Buffett
Howard Marks :	He is an American investor and writer. In 1995, he co-founded Oaktree Capital Management

