

FROM THE CEO'S DESK

At the outset, let me start by wishing all our patrons, supporters and well-wishers a very happy Diwali and a prosperous new year. It is nice to see a buzz in the air with people living it up and trying to make up for lost time - in the process, helping millions of companies and businesses make a comeback.

While one would want to believe that the same ebullience is an undercurrent in the stock markets as well, there is a trace of disbelief that is starting to creep in. Is this too good to be true, or is the party just getting started? Should one cash out or stay invested, come what may?

I hope I can address these questions which most of us have in our mind, through this letter. Before I get on the topic, I would like to quote Thomas Friedman from his book "Thank you for being late" who describes the "Black Elephant".

A "Black Elephant" is a cross between a "Black swan" i.e. a low-probability, unanticipated event with enormous ramifications and "The elephant in the room", a problem that is widely visible to everyone and yet no one wishes to address it, even though we know that one day it will have vast, black swan type ramifications around us.

There is no denying that at any given point of time in the capital market - or for that matter any sphere in the world - there are "Elephant in the room" indicators. These could be inflation, housing prices, global political triggers, commodity shortages, climate change and what have you. Almost all of these will be addressed by a sense of equilibrium which efficient markets bring through. Hence, the elephants in the room may not be as daunting as what one would think they are.

However, every once in a while, one of these indicators would tend to cause a "butterfly effect" in some or the other asset class, which would eventually get reflected in stock prices correcting disproportionately. Aptly termed "black swan" events, they always seem to be pretty obvious in hindsight, but never when they start to occur. This again, will go through a more severe equilibrium dislocating a few asset classes before there is stability.

So while the markets will eventually correct, no one knows when. Markets, by their very nature are forward looking and positively inclined. The trend over the next few years is definitely upwards. I would wager saying that this decade belongs to emerging countries rather than developed ones – ergo, stay invested in India

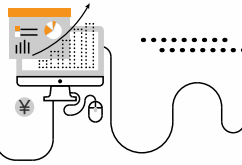
So, here is a term I would like to use for the portfolios we manage.... These are "White SWAN" portfolios. At Emkay, we are stubborn about the fact that we will invest in high quality businesses and managements and will not compromise on our theory, whatever the market compulsions may be. Our proprietary "E-Qual" and "Smart Alpha" portfolios are primarily the reason why we are sure that you can SWAN (Sleep Well At Night)!

And why White SWAN? These are ubiquitous, predictable beings (Read "High Quality Managements") that are found in sufficient numbers, provided you know where to look for them. The world might seem a dark place when a correction does happen, but it is these White SWANs that will give your portfolio stability, buttressing the downside and scaling the upside quite effectively

After all, even the Goddess Saraswati, representing intelligence and wisdom rides a white swan – why shouldn't we do the same?



Vikaas M Sachdeva
Chief Executive Officer
Emkay Investment Managers Ltd. (EIML)



INVESTMENT SOLUTIONS



SMART ALPHA

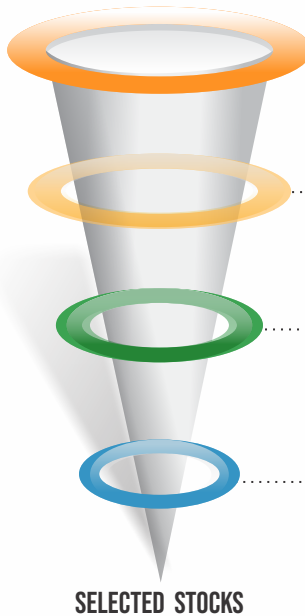
Using this approach, we try to mitigate typical fund manager vulnerabilities, primary among those being the "Selection bias" and the "Allocation bias".

"Selection" bias and "Allocation" bias, if mitigated, can lead to superior risk adjusted returns consistently

The biases are mitigated by way of :

- Defined universe for selection of stocks
- Equi-weighted portfolio

Number of listed Companies = > 5,000



- Defined Market Cap Filter**
Focus on large and midcaps
 - Top 250 companies as per Market Cap
 - Net Sales > INR 500cr
- Earnings Growth Filter**
Focus on strong historic and future growth
 - ROCE > WACC
 - Earnings growth > GDP growth rate
- Strong Leadership Framework Filter**
 - Strong leadership in the respective sector: Market share/ profit share/ cost/ growth/ product
 - Strong Management credentials: Vision, track record, growth
- Comprehensive Valuation Framework**
 - Comparative Valuations
 - Price - Value gap through DCF with focus on Margin of Safety
 - PEG ratio
 - Market cap vs Opportunity Size

SELECTED STOCKS

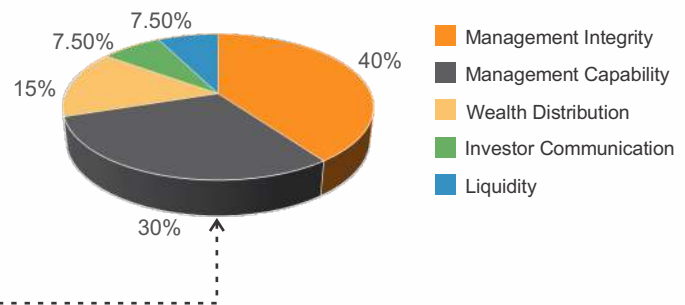
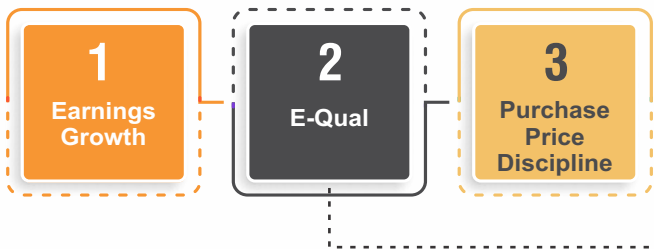


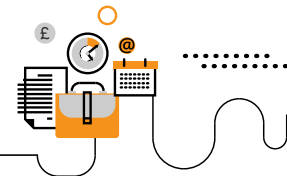
E-Qual Framework

First of it's kind model in the country which calibrates the "Governance" aspect of a company. Each company is evaluated on the basis of the following parameters and a score is assigned to them.

Using this approach, we generate alpha through pure bottom-up stock picking and extensive research. We employ multi-pronged investment strategies and leverage proprietary models like E-Qual to deliver consistent long-term returns.

Three Pronged Investment Process





Emkay Emerging Stars Fund



Returns

Scheme Name	1 M	3 M	6 M	1 Y	2 Y*	3 Y*	Absolute returns 11/Jan/18 To 31/Oct/21	Since Inception 11/Jan/18 To 31/Oct/21*
EES Series I	0.5%	-0.2%	21.4%	69.1%	37.6%	37.0%	66.6%	14.5%
BSE Small Cap (Benchmark)	-0.4%	4.5%	29.1%	88.0%	43.7%	40.4%	40.0%	6.4%
BSE 250 Smallcap	0.1%	2.9%	28.3%	86.1%	38.4%	34.6%	25.4%	6.1%

Scheme Name	1 M	3 M	6 M	1 Y	2 Y*	3 Y*	Absolute returns 28/Mar/18 To 31/Oct/21	Since Inception 28/Mar/18 To 31/Oct/21*
EES Series II	0.6%	-0.2%	21.7%	69.2%	37.3%	36.7%	64.9%	14.9%
BSE Small Cap (Benchmark)	-0.4%	4.5%	29.1%	88.0%	43.7%	40.4%	64.7%	14.9%
BSE 250 Smallcap	0.1%	2.9%	28.3%	86.1%	38.4%	34.6%	48.1%	11.5%

Scheme Name	1 M	3 M	6 M	1 Y	2 Y*	3 Y*	*Absolute returns 15/Oct/18 To 31/Oct/21	Since Inception 15/Oct/18 To 31/Oct/21*
EES Series III	0.4%	-0.4%	21.2%	67.5%	37.0%	34.2%	78.2%	20.9%
BSE Small Cap (Benchmark)	-0.4%	4.5%	29.1%	88.0%	43.7%	40.4%	95.0%	24.5%
BSE 250 Smallcap	0.1%	2.9%	28.3%	86.1%	38.4%	34.6%	79.8%	21.2%

Above returns are post expenses, post tax

*CAGR Returns

	NAV	Inception Date
AIF I	166.6	11-Jan-18
AIF II	164.9	28-Mar-18
AIF III	178.2	15-Oct-18



data as on 31.10.2021



Emkay Emerging Stars Fund - IV is now open

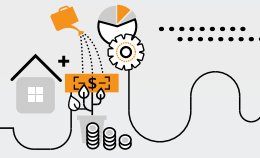
Performance AIF Series 1

30.04.20 - 31.01.21	(9 M)	84.4%
31.07.20 - 31.01.21	(6 M)	51.1%

Basis 6 months Absolute Returns

AIF Industry Achievement





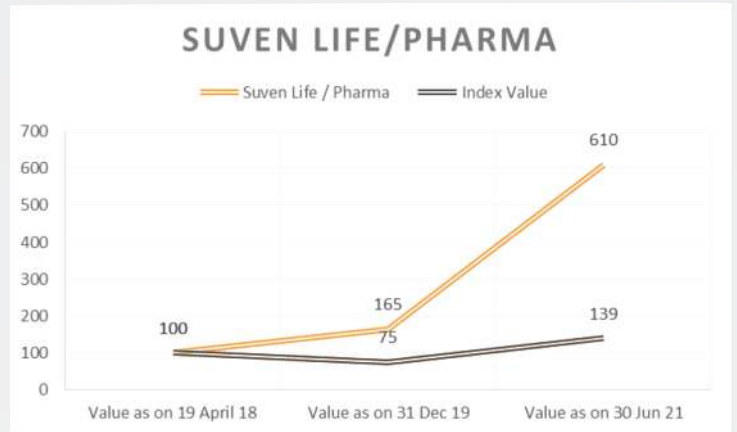
SMALLCAP INVESTING - Some Practical Insights

It is often believed that stocks behave and move in tandem with the benchmark. Hence, if the benchmark tended to be volatile, the stock must also follow suit. However, our experience shows that high quality management companies backed by the E-Qual model tend to have a more secular growth trajectory than the benchmark.

1 SUVEN LIFE / PHARMA

E-QUAL SCORE

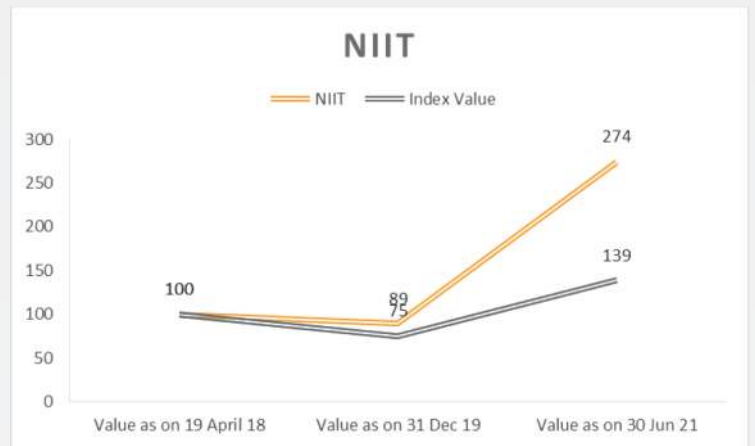
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2 NIIT / TECHNOLOGY

E-QUAL SCORE

71

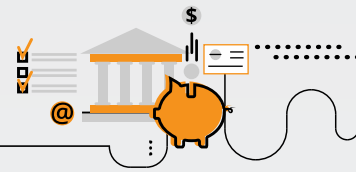


3 NESCO/ ENGINEERING & SERVICES

E-QUAL SCORE

73

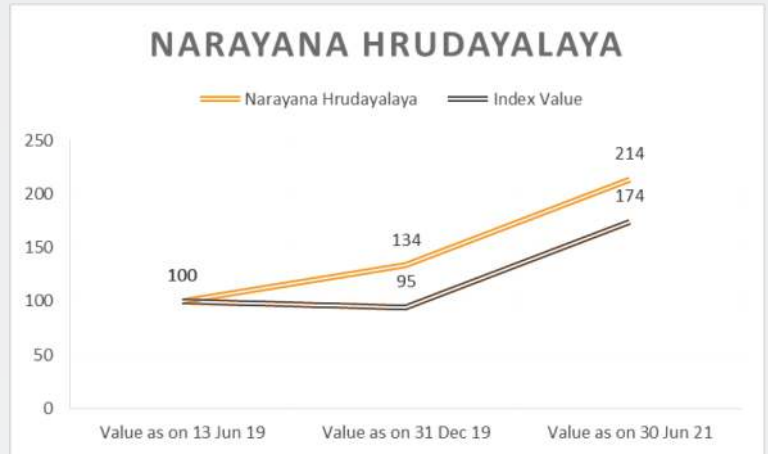




4 NARAYANA HRIDAYALAYA

E-QUAL SCORE

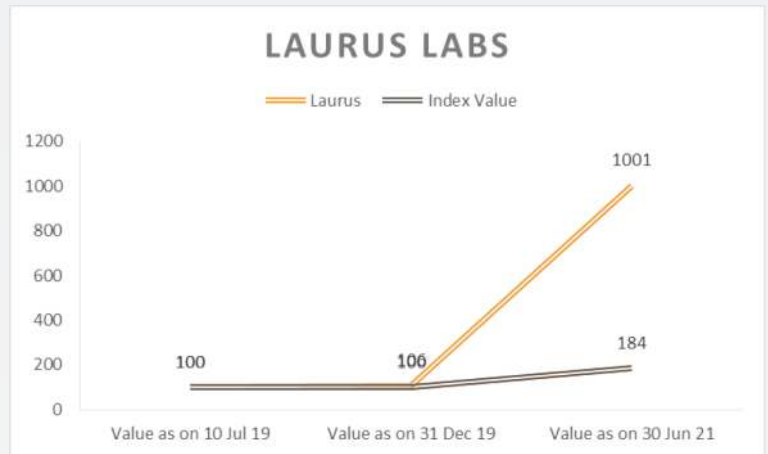
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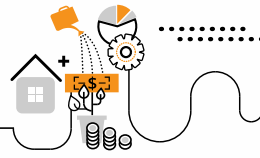
5 LAURUS LABS/PHARMA

E-QUAL SCORE

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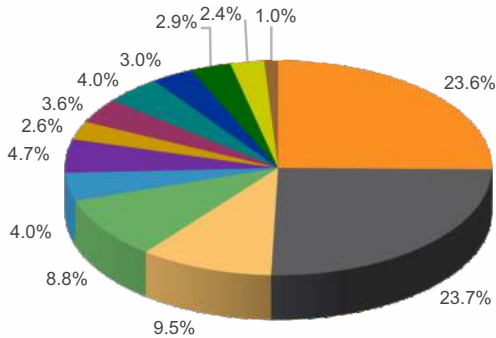
AIF I cos	Purchase Date	Purchase Price	Index Value	Price (Rs)	Change (%)	31-Dec-19 Index Value	Change (%)	Price (Rs)	Change (%)	30-Jun-21 Index Value	Change (%)
Suven Life / Pharma	19-Apr-18	93	18,174	153	65%	13,699	-25%	568	510%	25,232	39%
NIIT	19-Apr-18	105	18,174	94	-11%	13,699	-25%	287	174%	25,232	39%
NESCO	28-Nov-18	439	14,321	660	50%	13,699	-4%	605	38%	25,232	76%
Narayana Hrudala	13-Jun-19	230	14,476	307	34%	13,699	-5%	492	114%	25,232	74%
Laurus	10-Jul-19	68	13,699	72	6%	13,699	0%	680	901%	25,232	84%



Emkay Capital Builder



Sectors



- Pharmaceuticals
- Capital Goods
- Financial Services
- Consumer Discretionary
- Auto & Auto Ancillaries
- Telecom
- IT
- Infrastructure
- Oil & Gas
- Insurance
- Real Estate
- Consumer
- Distilleries

Note: The current portfolio holdings may or may not be a part of the future portfolio holdings.

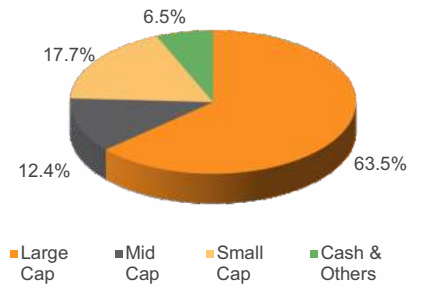
Investors' Portfolio may vary from the Strategy Level Portfolio shown above in the Top Holdings.

(Above Portfolio details are as on 31.10.2021)

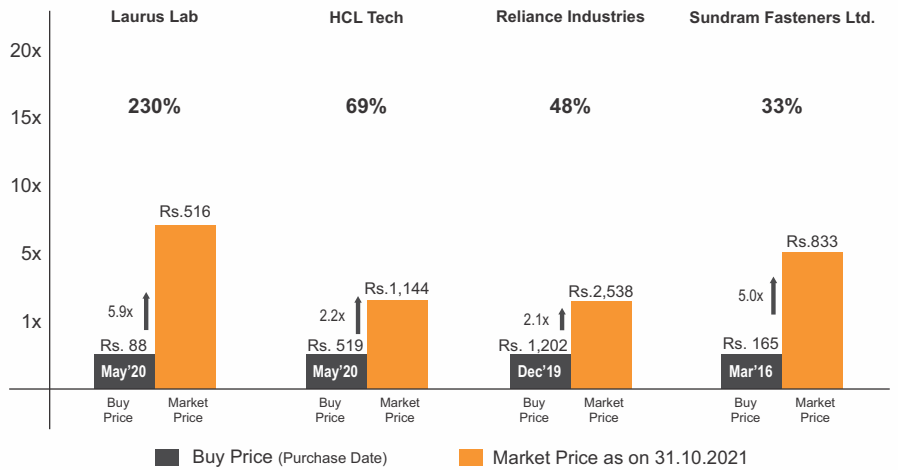
Top 5 holdings

Divi's Laboratories Ltd.	16.2%
ICICI Bank Ltd.	13.7%
HCL Technologies Ltd.	6.5%
HDFC Bank Ltd.	6.0%
Sun Pharma Ltd.	5.9%

Market Capitalisation



Stock-Picking Track Record



	3M	6M	1Y	3Y	Since Inception
Emkay Capital Builder (TWRR)	7.8	24.9	54.9	16.9	16.6
Nifty 500	10.4	22.0	57.5	19.9	15.3
Outperformance	-2.6	2.8	-2.6	-3.0	1.3



Total number of Stocks **20-25**

MULTI CAP

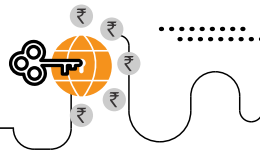
Average Marketcap

INR **2,73,361** Cr.

Inception Date **01-Apr-13**

All data is as on 31.10.2021

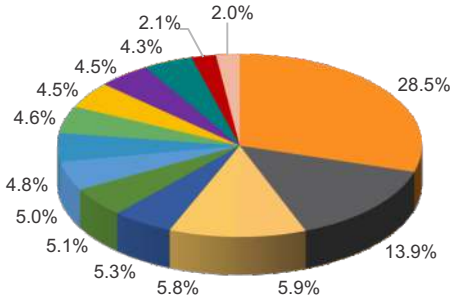




Emkay Pearls



Sectors

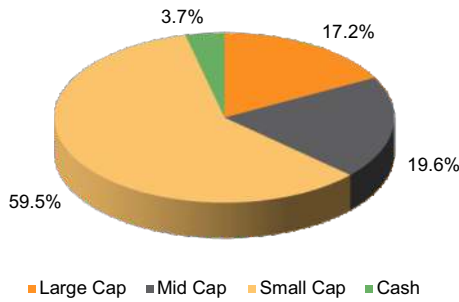


- Pharmaceuticals
- Real Estate
- Glass & Glass Products
- Textiles
- Consumer
- Capital Goods
- Infrastructure
- Auto & Auto-ancillary
- Financial Services
- Quick Service Restaurant
- Healthcare
- Staffing
- Discretionary Consumer
- Distilleries

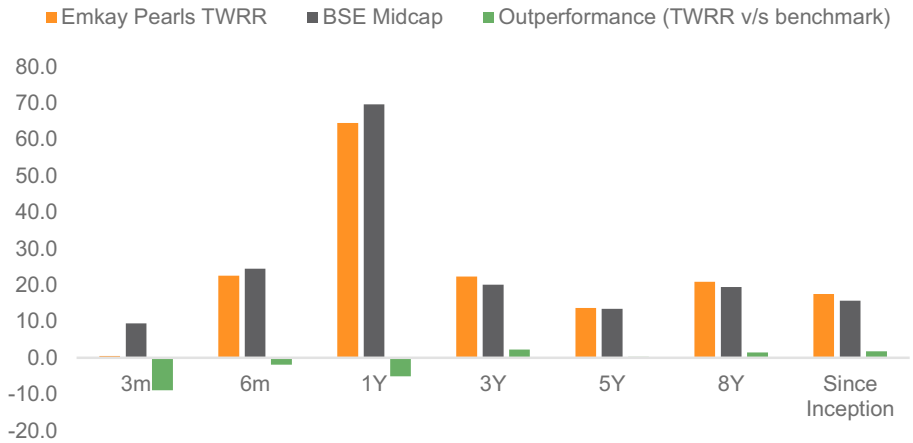
Top 5 holdings

Divi's Laboratories Ltd.	17.2%
Sundram Fasteners Ltd.	9.8%
Nesco Ltd.	5.9%
Federal Bank Ltd.	5.8%
Borosil Ltd	5.3%

Market Capitalisation



Performance Update



	3M	6M	1Y	3Y	5Y	8Y	Since Inception*
Emkay Pearls (TWRR) [#]	0.5	22.6	64.5	22.3	13.7	20.9	17.5
BSE Midcap	9.5	24.4	69.6	20.0	13.4	19.4	15.7
Outperformance (TWRR v/s benchmark)	-9.0	-1.9	-5.1	2.2	0.3	1.4	1.8

TWRR Returns

*As on 31.10.2021

Benchmark
BSE MidCap

Total number of Stocks **15-20**

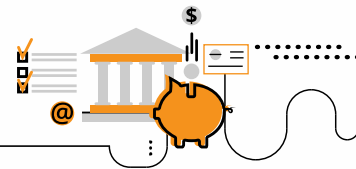
MID CAP & SMALL CAP

Average Marketcap
INR **16,826** Cr

Inception Date **24-Apr-12**

All data is as on 31.10.2021





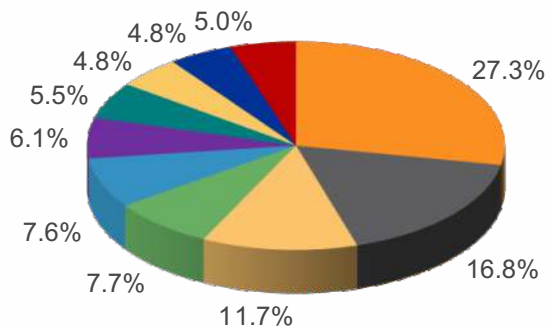
Emkay L.E.A.D



Investment Objective

The portfolio seeks to achieve long term capital appreciation by predominantly investing in large and mid cap high-growth companies with a leadership trait in the sector along with strong moat, quality management and reasonable valuations.

Sector Allocation %



- Financial Services
- Specialty Chemicals
- IT
- Pharma
- Gems & Jewellery
- Oil & Gas
- Consumer Durables
- FMCG
- Insurance
- Abrasives

Top 5 Holdings

Scrip Names	% Holdings
Bajaj Finance Ltd.	9.9%
Aarti Industries Ltd.	8.9%
Divi's Laboratories Ltd.	7.7%
Infosys Ltd.	7.6%
Titan Ltd.	7.6%

Market Capitalization

Market Capitalization	% Equity
Large Cap	73.1%
Mid Cap	24.3%
Cash	2.6%

Performance Update

	3M	6M	1Y	2Y	Since Inception
Emkay L.E.A.D. (Model Portfolio)	10.4	17.9	38.7	16.6	19.0
Emkay L.E.A.D. (TWRR)	9.9	16.6	34.5	13.4	15.8
Nifty 200	11.2	21.5	55.2	23.3	18.4
Outperformance (Model v/s Benchmark)	-0.9	-3.7	-16.4	-6.7	0.7
Outperformance (TWRR v/s Benchmark)	-1.3	-4.9	-20.7	-10.0	-2.6

Total number of Stocks **15**

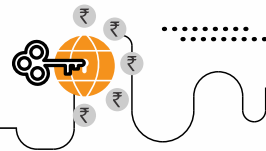
Benchmark **Nifty 200**

Average Marketcap **INR 3,03,102 Cr.**

Inception Date **01-Nov-18**

All data is as on 31.10.2021

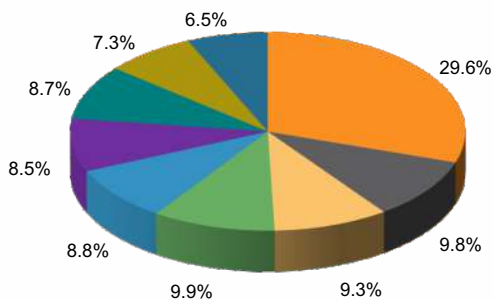




Emkay's 12



Sectors



- Financial Services
- Gems & Jewellery
- Oil & Gas
- Pharmaceuticals
- Specialty Chemicals
- FMCG
- Cement
- IT
- Auto & Auto Ancillary

Top 5 holdings

Titan Company Ltd.	9.9%
Divi's Laboratories Ltd.	9.8%
Ultratech Industries Ltd.	9.3%
Pidilite Industries Ltd.	8.8%
Reliance Industries Ltd.	8.7%

Features of Emkay's 12

- Focus on risk adjusted returns
- Steady performance over medium term
- Low portfolio turnover
- Portfolio of 12 structural growth cos
- No wide diversification
- Lower portfolio volatility and high liquidity
- An alternative to large cap mutual funds

Performance Update

	3M	6M	12M	Since Inception
Emkay'12 (Model Portfolio)	11.9	22.5	46.0	25.1
Emkay'12 (TWRR)	9.5	20.3	43.0	20.6
Nifty	12.1	20.8	51.8	23.6
Outperformance (Model v/s Nifty)	-0.2	1.7	-5.8	1.5
Outperformance (TWRR v/s Nifty)	-2.6	-0.5	-8.8	-2.9

Above returns are TWRR returns
Inception date 1st August 2019.

Performance update
as on 31.10.2021

Also available in the unique format

VALUE शस्त्र
Piercing the Chakravyuha of Equity Investments



Total number of Stocks **12**

LARGE CAP

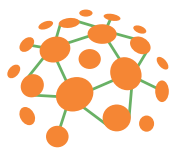
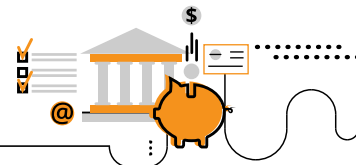
Average Marketcap

INR **5,58,365** Cr.

Inception Date **01-Aug-19**

All data is as on 31.10.2021

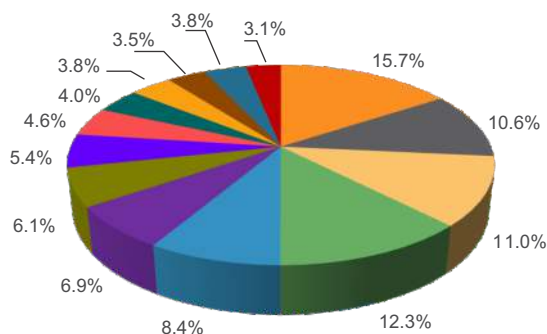




Emkay GEMS



Sectors

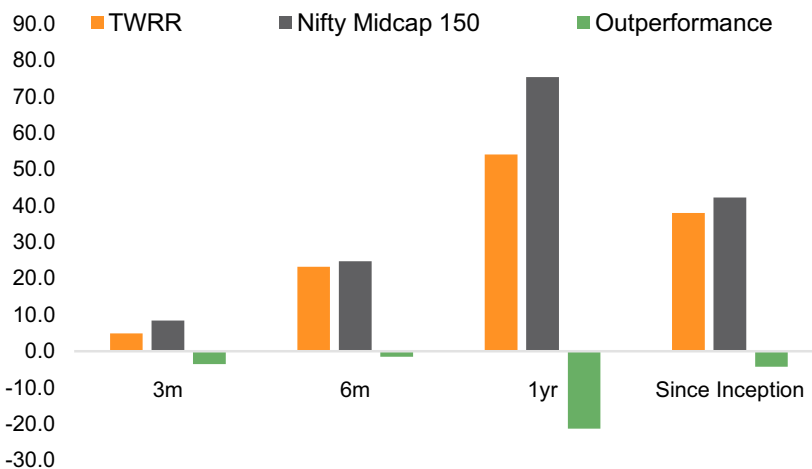


- Financial Services
- Auto & Auto Ancillary
- Specialty Chemicals
- Agro-Chemicals
- Consumer
- Diversified
- Retail
- Pharma
- IT
- Quick Service Restaurant (QSR)
- Plastic products
- Fertilizers
- Industrial Goods
- Consumer Durables

Top 5 holdings

SRF Ltd.	8.4%
L&T Technology Services Ltd.	8.1%
Jubilant FoodWorks Ltd.	6.9%
Dr. Lal PathLabs Ltd.	6.6%
PI Industries Ltd.	6.1%

Performance Update



	3M	6M	1yr	Since Inception
TWRR	4.9	23.2	54.1	38.0
Nifty Midcap 150	8.4	24.8	75.4	42.3
Outperformance	-3.5	-1.6	-21.3	-4.3

Benchmark
Nifty Midcap 150

Total number of
Stocks 20

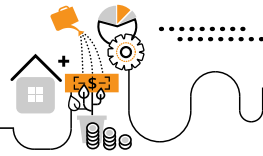
MID CAP

Average Marketcap INR **31,567 Cr**

Inception Date **03-Mar-20**

All data is as on 31.10.2021





Invest in



Emkay Duet

2 PMS portfolios within



Choose from any of the following three combinations of our portfolios, each giving you a **unique dual advantage**



Emkay Capital Builder

+



Emkay GEMS



Emkay L.E.A.D

+



Emkay Pearls

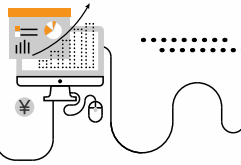


Emkay's 12

+



Emkay Pearls



Emkay Investment Managers Ltd. (EIML) is the asset Management arm of Emkay Global Financial Services Ltd. (EGFSL), a SEBI registered Portfolio Manager managing & advising investments for long-term (3-5 years+) investors consisting of Family Offices, HNIs, Corporate & NRIs, in Indian equities. Currently the team manages assets over INR 700 crores.

OUR TEAM



Krishna Kumar Karwa
MD - EGFSL
Mentor - EIML



Vikaas M Sachdeva
CEO - EIML



Sachin Shah
Fund Manager - EIML



Kashyap Javeri
Fund Manager - EIML

PROFILE OF FUND MANAGERS

Sachin Shah

Sachin is a seasoned fund manager with over two decades of experience in the Indian equity markets. By virtue of his extensive research, Sachin realised early-on the need for a framework in which companies with evasively tricky standing needed to be filtered out very objectively, leading to the development of E-Qual Model, EIML's proprietary module which helps us to evaluate and compare listed companies on various aspects of governance. Sachin shares his knowledge and insights through various media interactions across print and digital platforms.

Kashyap Javeri

Kashyap Javeri is a fund manager with more than a decade of experience in company and sector research. He brings exceptional insights into stocks and economy. Prior to joining Emkay Investment Managers, he was a rated BFSI analyst in Emkay Institutional Equities for eight years and also worked with Sharekhan Ltd as midcap analyst. Kashyap brings with him immense in-depth knowledge on not only variety of manufacturing and services sectors but also on banking and economics.

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