



**Growth-Oriented  
Portfolio Management Company**

**SEBI Portfolio Manager– INP000006129**

## Our Founder & CIO



**Amit Jeswani, CFA, CMT**

A Double Charter, has successfully completed his Chartered Financial Analyst (Virginia, USA) and Chartered Market Technician (New York, USA).

A graduate in Business with finance from Kingston University London. He has been investing in capital markets from last 13 years, started at a tender age of 16 as his father was a stock broker. With humble beginnings, he started Stallion Asset as a Research Analyst company, and with the trust of his clients, Stallion Asset has scaled up to become a Portfolio Management company.

Unlike most Portfolio Management companies who have corporate backing, We started with humble beginnings as a Research Analyst company and have become a portfolio management company due to consistent performance on our research analyst services which helped our client successfully & Consistently create wealth.

**Stallion Asset Core Fund**

- **The best of 3 Styles**
  - Part A: Core Stocks : 40-60% Weight**
  - Part B: Trends : 40-50% Weight**
  - Part C: Special Situation : 10% Weight**
- What we do, What we don't do
- Risk Management
- Frequently Asked Questions

## The Core Portfolio – 40-60% Weight

### Focus on the 4M's

- Market Leadership
- Management
- Market Opportunity
- Margin of Safety

**Market Leadership** - There is nothing worse than competition in business, Monopoly is the only condition of every very successful business

Every Business starts with Solving a Problem! Every Big Business succeeds sustainably with making sure that it's the only one who can solve that problem.

**Market Opportunity** - The Size of Opportunity is the foundation on which large wealth creation lies, simply put it's the size and duration of growth (of Earnings) of a business

We invest in companies that address a market which is large enough to allow our investment to grow 4-5x without needing to compete.

## The Core Portfolio – 40-60% Weight

**Management** – Two Key Roles – Capital Allocation & Capital Distribution.

Focus on Speed, Scale and Sustainability.

A Bad Person is a bad person & he will never make a good deal. This world is filled with Good people to do Business with. The Fair Value of a Promoter with no Integrity is 0

**Margin of Safety** – We don't use PE Ratio's, Focus on Capital Allocation & Distribution.

**Value of the firm equals to steady-state value + future value creation + excess cash – debt**

Future Value of the Firm

$$\frac{\text{Reinvestment Capital} * (\text{return on capital Employed} - \text{cost of capital}) * \text{competitive advantage period}}{\text{Cost of Capital}}$$

- Market Cap to Opportunity Size for Sharks in a Ocean
- Price follows Fundamentals but in Financials Fundamentals follows Price
- PE & P/B only work when Growth Rate is less than cost of Capital (Mature Business)

## The Trend Portfolio – 40% Weight

- Buy and rotate strategy beats buy and hold strategy.
- Every bull market has a different leader; we find the leader in every bull market and stick to it.
- There is no bull market without earnings growth; we always buy sectors with high expected sustainable growth of more than 20% for next 3-5 years.
- Winners of previous bull market will not lead the next bull market.
- We would rather buy companies that are making 52 week highs than buying new 52 week lows companies.
- The more market believes in the longevity of growth, the more valuations the stock get; longevity is often the mispriced portion in capital markets.
- All major Trends are Global

**Leader of the Bull Market goes up 10-15-20x, Not just 1-2x, ALL YOU NEED IS ONE LARGE TREND TO MAKE IT LARGE!**

## Special Situation – 10%

- Change in Promoter from Indian to MNC
- Demerger of a Great division
- Large Change in Regulation
- Growth Rate, Business Quality & Management Quality play here role
- Valuation + Earnings Re-Rating is the goal
- Downside risk limited (mostly protected by cash or open offer)
- Upside expectation of 3-5x in 3-5 years
- We slowly build our positions here, as the story gets clearer

## What We Do & What We Don't Do

### What we do

Focus on 4 Sectors

- Consumer
- Financials
- Consumer Tech
- Pharma

Invest only in two Kind of Business

- Asset Light Business which don't need capital to Grow
- Companies that can Reinvest all Free Cash Flows at High ROIC which Strong competitive Advantages.

### What we don't do

- Commodities
- Land Bank Play
- Bad Promoter Valuation Arbitrage
- Government Business (B2G or G2B)

We Typically avoid Business that

- Don't have recurring Revenue or get revenues from Government/Project Business
- Commodity like business where it gets worse with size
- Growth Rate is less than Cost of Capital
- Hold on to a Looser for a Long time



## Risk Management

Given a Choice between High Risk, High Return & Low Risk Decent Return we at Stallion will always choose Low Risk Decent Returns.

- We have seen that Core Stocks in a our Portfolio give us a lot of time to Exit if there is a Change in Expected Growth Rate
- Incremental Return of Capital Employed
- Competitive Advantage Period
- Cost of Capital

In the Trend portfolio typically don't correct more than 25% & Stay there, If a trend is still in play it typically moves back to all time highs in 3-6 Months.

### Types of Risk-

- Business Risk
- Management Risk
- Valuation Risk
- Industry Risk

### Eliminate Big loss-

- Big Profit
- Small Profit
- Big Loss
- Small Loss

There is no bigger Mistake in Investing than Holding on to your losers for a Long time. Being wrong is acceptable, Staying wrong is stupid!

## Frequently Asked Question?

### Why these 4 Sectors?

Our Financials & Consumer Tech Part of the Portfolio should Ideally create alpha in a Bull Market whereas our Consumer & Pharma basket will protect us during the bear Market.

### Why a combination of Core , Trends & Special Situation?

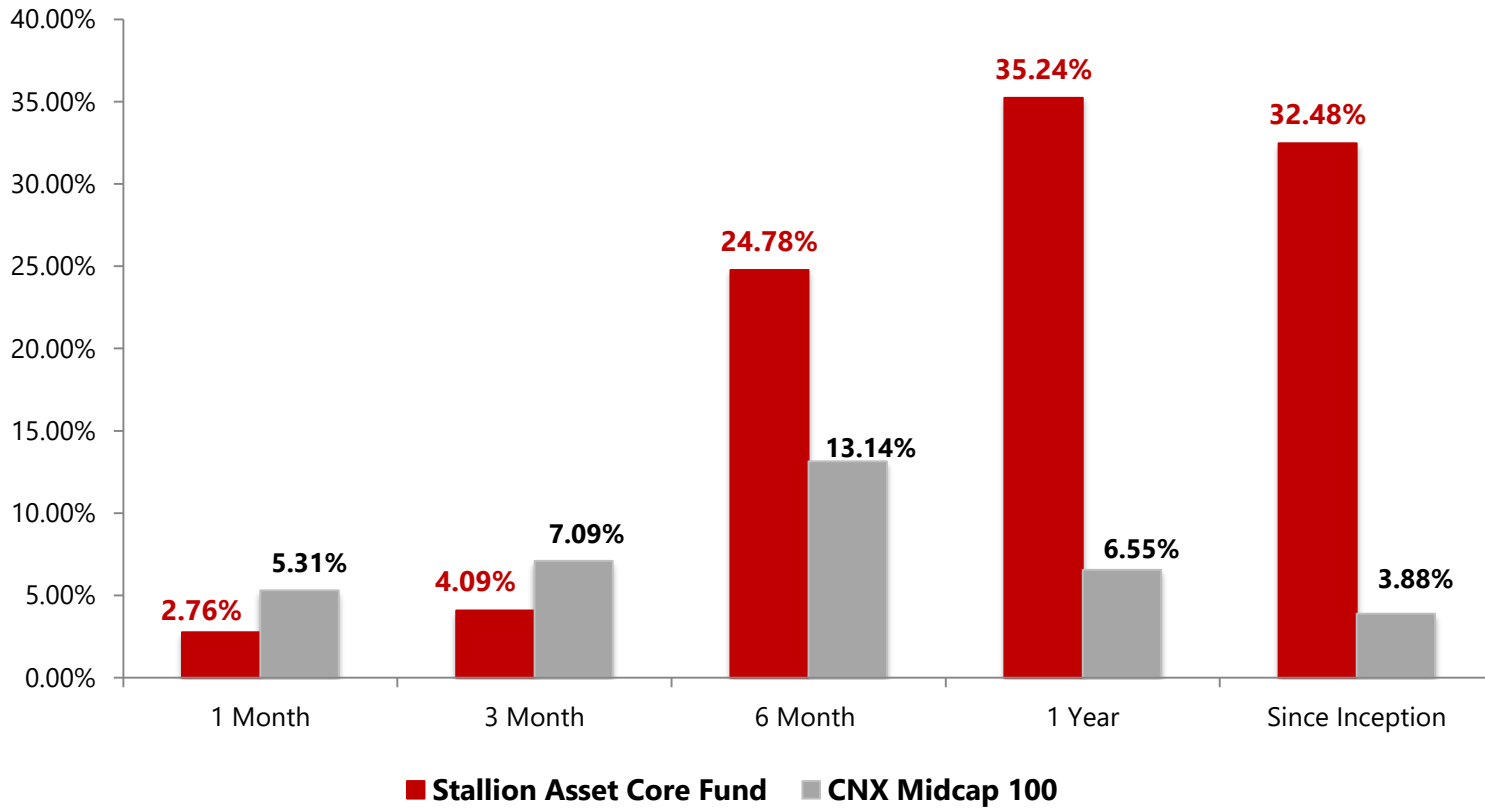
While a core only portfolio will work well in a Bear market but typically underperforms in a Bull Market. A Trend only Portfolio will work well in a Bull Market but typically have larger Drawdowns in a Bear Market. A special situation only Portfolio might have opportunities in sometime & be on cash in others. Our Portfolio of Core + Trend + Special Situation will not only lowers the Portfolio Volatility but will deliver decent returns.

### What is client Communication?

Apart from a Decicated Relationship Manager, We have Quarterly concalls where you & other participants can ask Questions.

**Stallion Asset Core Fund**

# Stallion Asset Core Fund Performance



**Stallion Asset Core Fund**

## Fund Characteristics



Fund Type	SEBI Registered (INP000006129) PMS
Fund Tenure	Open-ended
Structure	Discretionary PMS
Minimum Investment	INR 50 Lakhs
Benchmark	NIFTY MIDCAP 100
Principal Officer	Mr. Amit Jeswani

**Stallion Asset Core Fund**

## PLAN A

- Fixed Fee\* 2.5% p.a.
- Performance Fee NIL
- Exit Load 2% before 12 months

## PLAN B

- Fixed Fee\* 1.5% p.a.
- Performance Fee 15% of excess Profits above a hurdle rate of 10%
- Exit Load 2% before 12 months

\*Fixed Fee will be charged proportionately every quarter

## Disclaimer

Prospective Clients are expected to take into consideration all the risk factors including financial conditions, Risk-Return profile, tax consequences, etc.

Prospective Clients understand that the past performance or name of the portfolio or any similar product do not in any manner indicate surety of performance of such product or portfolio in the future.

Prospective Clients further understand that all such products are subject to various Market Risks, Settlement Risks, Economical Risks, Political Risks, Business Risks, and Financial Risks etc. Prospective Clients are expected to thoroughly go through the terms of the arrangements / agreements and understand in detail the Risk-Return profile of any security or product of Stallion Asset or any other service provider before making any investment.

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Data shown in past performance is as uploaded on SEBI website. Individual performance would differ as per joining date.

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