STALLION ASSET
CREATING ALPHA

Growth-Oriented
Portfolio Management Company

SEBI Portfolio Manager– INP000006129

Our Founder & CIO

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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.

Amit Jeswani,CFA,CMT

Stallion Asset Core Fund

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Portfolio Construct

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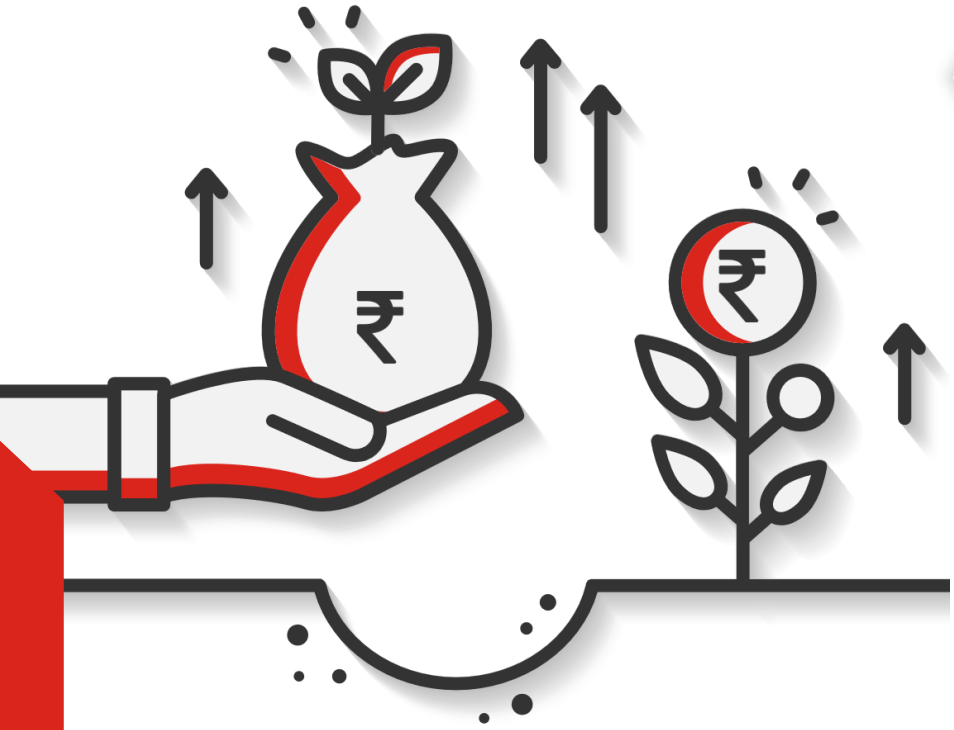

The Best of 3 Styles

Part A	Part B	Part C
Core Stocks	Trends	Special Situation
40%-60% Weight	40%-50% Weight	10% Weight

What we do,
What we don't do

Risk Management

Frequently Asked Questions

Stallion Asset Core Fund

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The Core Portfolio – 40-60% Weight

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Focus on the 4M's

1 Market Leadership

2 Management

3 Market Opportunity

4 Margin of Safety

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The Core Portfolio – 40-60% Weight

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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.

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

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The Core Portfolio – 40-60% Weight

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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

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

- 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)

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The Trend Portfolio – 40% Weight

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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!

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Special Situation – 10%

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

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What We Do & What We Don't Do

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What We Do

Focus on 4 Sectors

- Consumer
- Financials
- Consumer Tech
- Pharma

What We Don't Do

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

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.

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

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Risk Management

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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 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

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.

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Risk Management

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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!

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Frequently Asked Question?

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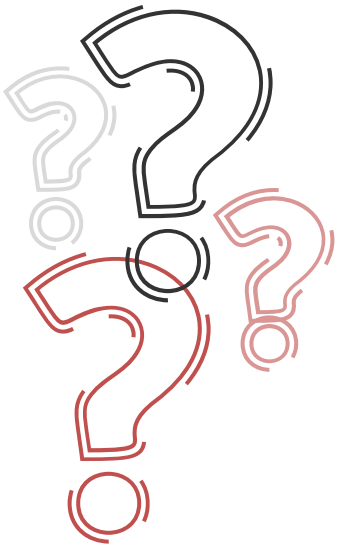

Why these 4 Sectors?

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.

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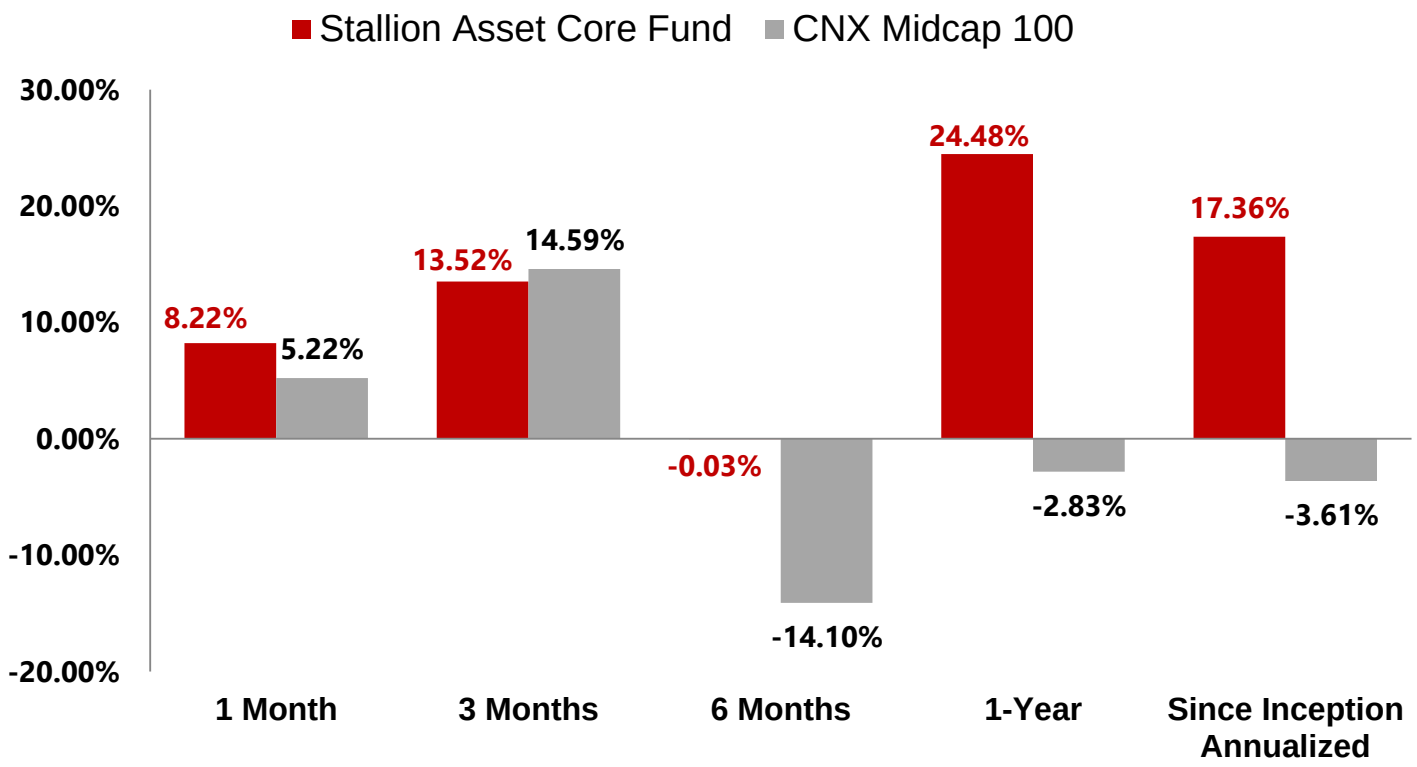
Stallion Asset Core Fund Performance



Note: *All returns are net of fees and expenses (TWRR/XIRR). Since inception returns are annualized; other time period returns are absolute.*

As on 31st July, 2020
Inception Date 22nd October, 2018

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Fund Characteristics

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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 CFA, CMT

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- 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.

- Prospective Clients should also take professional / legal /tax advice before making any decision of investing or disinvesting. Stallion Asset may have financial or other business interests that may adversely affect the objectivity of the views contained in this presentation.

- Stallion Asset does not guarantee the future performance or any level of performance relating to any products of Stallion Asset or any other third party service provider. Investment in any product including mutual fund or in the product of third party service provider does not provide any assurance or guarantee that the objectives of the product are specifically achieved. Stallion Asset shall not be liable to client for any losses that clients may suffer on account of any investment or disinvestment decision based on the communication or information or recommendation received from Stallion Asset on any product. Further Stallion Asset shall not be liable for any loss which may have arisen by wrong or misleading instructions given by clients whether orally or in writing.

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

Contact Us

STALLION ASSET
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+91 – 9326771445

pms@stallionasset.com

1001, Omkar The Summit Business Bay, Andheri Kurla Road, Nr. WEH Metro Station, Andheri East, Mumbai 400093.

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