

Fund Insights

UTI India Dynamic Equity Fund

30 June 2023

Fund Details

ISIN	IE00BYPC7R45
Domicile	Ireland
Currency	USD
Asset Class	Equity
Management Fee	NA
Ongoing Charge as of June 30, 2023	0.97%
AUM, as of June 30, 2023 (USD, mn)	972.32

Figure 1: Sector Allocation

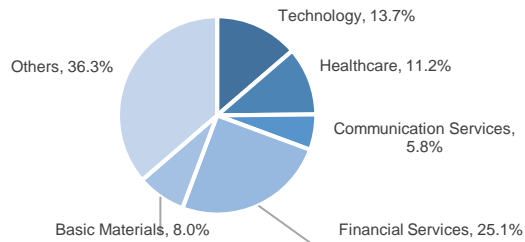


Figure 2: Fund's 1-year Performance (USD)



Source: Figure 1 Morningstar (31 May 23) Figure 2 – Morningstar (30 June 23)

Fund Management

UTI Asset Management Group manages more than USD100 billion of total client assets as of April 1, 2019. The group's majority stake of 26% is owned by T. Rowe Price International, a NASDAQ listed asset manager, which manages USD1.08 trillion of total client assets as of end-March 2019. The remaining stake in the group (74%) is equally owned by four largest state-owned Indian financial institutions - Life Insurance Corporation of India, State Bank of India, Bank of Baroda and Punjab National Bank. UTI Asset Management Group had 150 branches and employed 47,000 independent financial advisors, and 320 chief agents and business development associates as of end-March 2019.

Fund

Investment Objective: The UTI India Dynamic Equity Fund seeks to achieve capital appreciation by investing primarily in growth oriented Indian stocks listed on the Mumbai Stock Exchange and the National Stock Exchange in India. The Fund does not follow a benchmark and is actively managed.

Investment Process: The Fund's investment team follows a bottom-up approach to select companies for the portfolio. The first step of investment process begins with the list creation and categorization of stocks. The Fund's Investment Manager prepares a universe of all listed stocks and list them according to the market capitalization from top to bottom. The Manager follows percentile definition for the purpose of defining market capitalization categories. Stocks falling within the top 70 percentile are categorized as large cap companies, between 70th to 90th percentiles are categorized as mid cap companies and after the 90th percentile are categorized as small cap companies. The second step of the process involves rigorous analysis of companies and sectors, including qualitative analysis (management briefings, peers analysis, competitive advantage analysis) and financial analysis (financial statement analysis, valuation). The team constructs portfolio by selecting stocks which fulfill the following criteria,

- Quality – Companies with historically high and industry leading ROCEs/ROAs, ability to sustain such high level of returns in next 5-10 years with low volatility, strong cash flow generation and tested business models
- Growth – Companies with track record of earnings growth in last 5-10 years with stable margins, ability to compound earnings at higher than equity market over the next 5-10 years with strong predictability and with secular growth drivers rather than cyclical upturn
- Valuation – Companies with consistent cash flow generation, free cash flow yield and earnings yield

Investment Parameters: The key investment parameters of the Fund are,

- The Fund will typically hold around 40-50 positions
- Companies with minimum market cap of USD100 million are considered for selection
- The Fund intends to hold approximately 60-80% investment in large cap companies and approximately 20-40% investment in mid and small cap companies
- The Fund make investments within a two to three years' timeframe based on the macro analysis, sector and company analysis
- The Fund is well-diversified across sector and market cap, thereby possesses low correlation
- The Fund may allocate a maximum of 10% of the portfolio to cash, cash equivalents and money market instruments
- The Fund does not employ currency hedging or leveraging



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Sources: 1. Fund's Prospectus, Factsheet and RFP, 2. Fund's Website