

EQUITY EXPERTS
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30
YEARS

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Investment Services

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ACE

Advice on Combination of Equities





What is ACE?

A diverse range of pre-packaged equity products ideal for both traders and investors who want to participate in the markets but do not have enough time to manage their portfolios.

Why invest in ACE?

- ▶ **Robo** managed investment process
- ▶ **Flexible investment** modes of Lump Sum and SIP
- ▶ **Customized** portfolio for every investor/trader
- ▶ **Real time** portfolio re-balancing
- ▶ **Power of discretion** on every recommendation
- ▶ **No lock-in** period
- ▶ **24 x 7 tracking** of portfolio.

What makes ACE different from other investment products?

| Criteria | ACE | MF | PMS |
|----------------------|--|---------------------------------------|---------------------------------------|
| Portfolio management | Artificial Intelligence to manage products | Manually managed | Manually managed |
| Approach | Process driven approach | Fund Manager discretion | Fund Manager discretion |
| Execution | Partly Non- discretionary - Execution only after client confirmation | Execution without client confirmation | Execution without client confirmation |

Explore our diverse range of ACE products.




◆ Product Comparison ◆


| | ACE Cash | ACE FundTech | ACE Small Cap | ACE Large Cap | ACE SmartT |
|----------------------|------------------|--------------------------------|---------------|-----------------|--------------------|
| Risk Appetite | Moderate to High | Moderate | High | Moderate to Low | Moderate to High |
| Suitable for | Investors | Investors & Positional Traders | Investors | Investors | Positional Traders |
| Ideal Horizon | 3-5 years | 3-5 years | 3-5 years | 3-5 years | 1 year |


What is ACE FundTech?

An intelligent portfolio with a combination of fundamental and technical parameters which is suitable for investors who want to invest in companies with best financial trend subject to thresholds of Quality and Valuation.

Why invest in ACE FundTech?

 Portfolio is kept **well diversified** between Large, Mid and Small Cap stocks

 Shortlisting based on multiple **technical and fundamental** criteria such as financial results and price movement

 **Continuous tracking** to replace non-performing stocks

Stock Selection Criteria

- ▶ Portfolio comprising of 10 to 20 stocks depending on investment amount
- ▶ Screening of stocks based on quality & valuation forecasts with an upward financial trend
- ▶ Maximum exposure of 40% in any sector & 10% in a single stock
- ▶ Exclusion of stocks in bearish zone as per technical parameters like RSI, Bollinger band, etc.

Rebalancing Criteria

- ▶ Continuous re-evaluation of portfolio in case of adverse change only in the stock selection criteria
- ▶ Corporate governance issue in the company
- ▶ Underperformance against benchmark BSE 500 of over 20%

Who should invest in ACE FundTech?

Investors and positional traders with investible surplus of ₹ 1 lakh or more with moderate risk appetite and investment horizon of minimum 3-5 years.

ACE FundTech back tested period (October 2012 to October 2018)

| ACE FundTech Portfolio | | | | | | |
|------------------------|--------|---------|---------|---------|---------|---------|
| Investment Year | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years | 6 Years |
| Oct-12 | 25.9% | 49.8% | 50.5% | 49.9% | 46.7% | 32.9% |
| Oct-13 | 78.2% | 64.6% | 58.9% | 52.5% | 34.3% | |
| Oct-14 | 52.0% | 50.1% | 44.7% | 25.2% | | |
| Oct-15 | 48.2% | 41.2% | 17.3% | | | |
| Oct-16 | 34.6% | 4.4% | | | | |
| Oct-17 | -19.0% | | | | | |

| BSE 500 Performance | | | | | | |
|---------------------|--------|---------|---------|---------|---------|---------|
| Investment Year | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years | 6 Years |
| Oct-12 | 7.6% | 22.0% | 14.4% | 13.7% | 15.3% | 11.5% |
| Oct-13 | 38.4% | 18.1% | 15.8% | 17.3% | 12.3% | |
| Oct-14 | 0.7% | 5.9% | 11.0% | 6.5% | | |
| Oct-15 | 11.3% | 16.5% | 8.5% | | | |
| Oct-16 | 21.9% | 7.2% | | | | |
| Oct-17 | -5.8% | | | | | |

Performance in the above image is just an illustration on the basis of back tested performance. Back tested performance is not a guarantee to future LIVE performance. Please read the terms & conditions before subscribing to the product

ACE Cash



What is ACE Cash?

A robo-powered delivery based equity portfolio suitable for investors having moderate to high risk appetite, with an objective to deliver returns in an investment horizon of 3-5 years.



Why invest in ACE Cash?



Diligent stock picking ensures there is no emotional bias



Diversified investment across stocks and sectors



Investment in **fundamentally strong** companies



Stock Selection Criteria

- › Stocks with market cap exceeding ₹ 1,000 Cr.
- › Defined rules to determine a fair price for every stock
- › Only stocks having min. 30% price gap between current price and fair price are considered
- › Top 5 stocks based on above criteria are shortlisted for investment in every tranche
- › Amount is invested in 4 tranches to avoid portfolio concentration



Rebalancing Criteria

- › Corporate governance issues in the company
- › Expected target price achieved
- › Company performance failing to meet fair price expectations



Who should invest in ACE Cash?

Investors having moderate to high risk appetite, with investment horizon of 3-5 years, and investible corpus of ₹ 1 lakh or more.



ACE Cash back tested period (October 2013 to October 2018)

| ACE Cash Portfolio | | | | | |
|--------------------|--------|---------|---------|---------|---------|
| Investment Year | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
| Oct-13 | -3.9% | 51.4% | 28.5% | 34.9% | 35.0% |
| Oct-15 | -0.3% | 27.8% | 30.1% | 22.6% | |
| Oct-16 | 30.0% | 34.4% | 22.9% | | |
| Oct-17 | 61.1% | 28.4% | | | |
| Oct-18* | -7.6% | | | | |

| Nifty Performance | | | | | |
|-------------------|--------|---------|---------|---------|---------|
| Investment Year | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
| Oct-13 | 10.2% | 22.9% | 8.6% | 11.3% | 12.1% |
| Oct-15 | -14.8% | 1.2% | 5.5% | 4.2% | |
| Oct-16 | 20.2% | 17.6% | 12.5% | | |
| Oct-17 | 15.0% | 7.9% | | | |
| Oct-18* | -1.5% | | | | |

*Performance updated till March 2019

Please note: Since 2014 had been an exceptional year for ACE Cash portfolio which delivered higher than expected returns, it is not included in the back tested data. Performance in the above image is just an illustration on the basis of back tested performance. Back tested performance is not a guarantee to future LIVE performance. Please read the terms & conditions before subscribing to the product

ACE Small Cap

What is ACE Small Cap?

A systematic delivery based equity portfolio that consists of small cap stocks which have potential for high earnings growth.

Why invest in ACE Small Cap?



Highly liquid portfolio with optimistic earnings upgrade



Stocks selected by evaluating aspects like profitability, volatility & valuation



Only dividend paying stocks are selected in the portfolio

Stock Selection Criteria

- ▶ Only stocks from Top 700 companies by market capitalization with recent earnings upgrade are selected
- ▶ Highly pledged promoter holding stocks are filtered out
- ▶ 360 degree selection criteria to check profitability through return on equity, valuation through PE, dividend yield and leverage by analysing debt to equity ratio
- ▶ Use of intelligent filters to select liquid stocks

Rebalancing Criteria

- ▶ Quarterly rebalancing in-line with stock selection criteria
- ▶ Corporate governance issues in the company

Who should invest In ACE Small Cap?

Investors with a high risk appetite and an investment horizon of minimum 3-5 years.

Ace Small Cap back tested period (2014 to 2019)

ACE Small Cap Portfolio

| Investment Year | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|-----------------|--------|---------|---------|---------|---------|
| 2014 | 87.89% | 44.17% | 33.86% | 30.36% | 24.29% |
| 2015 | 15.72% | 16.31% | 17.83% | 14.09% | |
| 2016 | 16.91% | 18.90% | 13.55% | | |
| 2017 | 20.94% | 11.90% | | | |
| 2018 | 3.54% | | | | |

Nifty Small Cap 100

| Investment Year | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
|-----------------|---------|---------|---------|---------|---------|
| 2014 | 77.84% | 34.88% | 22.28% | 30.59% | 15.09% |
| 2015 | 7.21% | 4.70% | 19.90% | 5.16% | |
| 2016 | 2.25% | 26.78% | 4.48% | | |
| 2017 | 57.30% | 5.62% | | | |
| 2018 | -29.08% | | | | |

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ACE Large Cap



What is ACE Large Cap?

A long-term equity portfolio that consists of large cap stocks with an objective to generate steady returns over a period of time (minimum 3 years).



Why invest in ACE Large Cap?



Stocks selected with **unique filters** to reduce risk



Liquid and stable stocks aligned with a **consistent investment strategy**



Allocation of your money among different stocks is done using a **quantitative model** to provide **maximum diversification**.



Stock Selection Criteria

- ▶ Only liquid stocks from Top 150 companies by market capitalization listed on NSE are selected.
- ▶ Use of liquidity and volatility filters to select stocks
- ▶ Exclusion of stocks with low liquidity and pledged promoter holdings



Rebalancing Criteria

- ▶ Quarterly rebalancing in-line with stock selection criteria.
- ▶ Corporate governance issues in the company



Who should invest In ACE Large Cap?

Investors with a moderate-to-low risk appetite and an investment horizon of minimum 3-5 years.



Ace Large Cap back tested period (2014 to 2019)

| Ace Large Cap Portfolio | | | | | |
|-------------------------|--------|---------|---------|---------|---------|
| Investment Year | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
| 2014 | 46.09% | 31.09% | 18.74% | 20.70% | 18.24% |
| 2015 | 17.62% | 7.06% | 13.26% | 12.16% | |
| 2016 | -2.53% | 11.15% | 10.39% | | |
| 2017 | 26.79% | 17.50% | | | |
| 2018 | 8.89% | | | | |

| Nifty 50 | | | | | |
|-----------------|--------|---------|---------|---------|---------|
| Investment Year | 1 Year | 2 Years | 3 Years | 4 Years | 5 Years |
| 2014 | 31.39% | 12.27% | 9.09% | 13.68% | 11.49% |
| 2015 | -4.06% | -0.59% | 8.33% | 7.01% | |
| 2016 | 3.00% | 15.10% | 10.97% | | |
| 2017 | 28.65% | 15.20% | | | |
| 2018 | 3.15% | | | | |

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What is ACE Smart?

An equity portfolio with the objective to generate returns from trading opportunities in fundamentally strong stocks through the support of technical trends.



Why invest in ACE Smart?



Opportunity to generate returns from **momentum based ideas**



Disciplined trading approach with specified time horizon, stop loss & target price



Maximum 3 ideas open at any given point of time



Stock Selection Criteria

- › Short term momentum based trades in good quality stocks
- › Use of technical indicators to identify momentum based ideas



Stock Exit Criteria

- › Stop Loss: 2% to 3% stop loss with feature of trailing stop loss
- › Target Achieved: Stock gains between 4% to 6% and minimum 3%
- › Time Lapse: Holding period of 2 weeks or 10 trading days, whichever is earlier



Who should invest in ACE Smart

Positional traders with investible surplus of ₹ 3 lakhs with moderate to high risk appetite & investment horizon of 1 year.



Terms of the Product

| | |
|-----------------------|--|
| Minimum Investment | ₹ 3 lakhs |
| Additional Investment | Multiple of ₹ 30,000 |
| Withdrawals | Full / Partial – Multiples of ₹ 30,000 |



Terms of the product

(Cash | FundTech | Small Cap | Large Cap)

To help you make your ACE investment journey smoother, you can either opt for **Lump Sum investment mode** or **SIP investment mode**.

| | |
|----------------------|---|
| Lump Sum mode | <ul style="list-style-type: none"> Option to start one time investment with minimum amount of ₹ 1,00,000 Option to select Profit Sharing model or Subscription Fee model Partial or Full withdrawal option available Top-up investment in multiples of ₹ 50,000 |
| SIP mode | <ul style="list-style-type: none"> Option to invest systematically on monthly basis with min. amt of ₹ 10,000 Under SIP mode you can only opt for Profit sharing model Only full withdrawal option available In case of Top-ups, investment will be done under Lump Sum mode |

Subscription Fee Model (available for Lump Sum mode only)

Under Subscription Fee model, potential investors will be charged **2%** of their investment amount. Below are a few scenarios of this model:

| Scenarios | Minimum investment | Investment date | Subscription fees | Top-up investment | Top-up date | Subscription fees post top-up |
|-----------|--------------------|---------------------------|-------------------|-------------------|---------------------------|-------------------------------|
| 1 | 2,00,000 | 1 st Jan, 2018 | 4,000 | - | - | - |
| 2 | 2,00,000 | 1 st Jan, 2018 | 4,000 | 2,00,000 | 1 st Jul, 2018 | 2,000* |
| 3 | 2,00,000 | 1 st Jan, 2018 | 4,000 | 6,00,000 | 1 st Jul, 2018 | 6,000* |

*Subscription fees of ₹ 2,000 and ₹ 6,000 is charged on 6 months pro-rata basis. In case of top-up in the 1st year, subscription fees will be charged on pro-rata basis. 0.5% standard brokerage will be charged.

Profit Sharing Model (available for both Lump Sum and SIP mode)

Under Profit Sharing model, potential investors will be charged **20% of their profit** only if their portfolios earn over a hurdle rate of 10%. Profit sharing will be on quarterly basis. Below are a few scenarios of this model:

| Investment Value | End Value | Profit/Loss | Profit/Loss % | Hurdle Rate | Hurdle Amount | Eligible Amt for Sharing | Profit Sharing % | Actual Profit Sharing |
|------------------|-----------|-------------|---------------|-------------|---------------|--------------------------|------------------|-----------------------|
| 2,00,000 | 1,90,000 | -10,000 | -5.00% | 10% | 20,000 | NIL | 0% | NA |
| 2,00,000 | 2,10,000 | 10,000 | 5.00% | 10% | 20,000 | NIL | 0% | NA |
| 2,00,000 | 2,50,000 | 50,000 | 25.00% | 10% | 20,000 | 30,000 | 20% | 6,000 |

Example: In case of 25% portfolio returns, 20% profit sharing will be charged only on 15% returns amount. Profit sharing will be done on quarterly basis. 1% standard brokerage will be charged.

How to Invest

Through Lumpsum









Through SIP



Portfolio will be generated and you will receive a notification for confirmation. Post confirmation the investment is done.

Options to confirm orders section

-  **Notification** on MO Investor App*
-  Login to **MO Investor Web**
-  **Email** on registered email address
-  **SMS** on registered mobile number
-  **Auto Call** on your registered mobile number*
-  Confirmation from **Dealer/Advisor** through OTP

*Not available for ACE Smart

Experience ACE now!

MO Investor App

Available on



MO Investor Web

Visit www.motilaloswal.com > Login to MO Investor > Select ACE from the menu

For more information, email us - advisoryproducts@motilaloswal.com



Motilal Oswal Financial Services Limited (MOFSL)* Member of NSE, BSE, MCX, NCDEX CIN No.: L67190MH2005PLC153397

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Investment in securities market are subject to market risks, read all the related documents carefully before investing.

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