



One India, multiple growth opportunities

Groww Multicap Fund

26 November - 10 December



India's time is

NOW



The Indian economy is projecting rapid growth

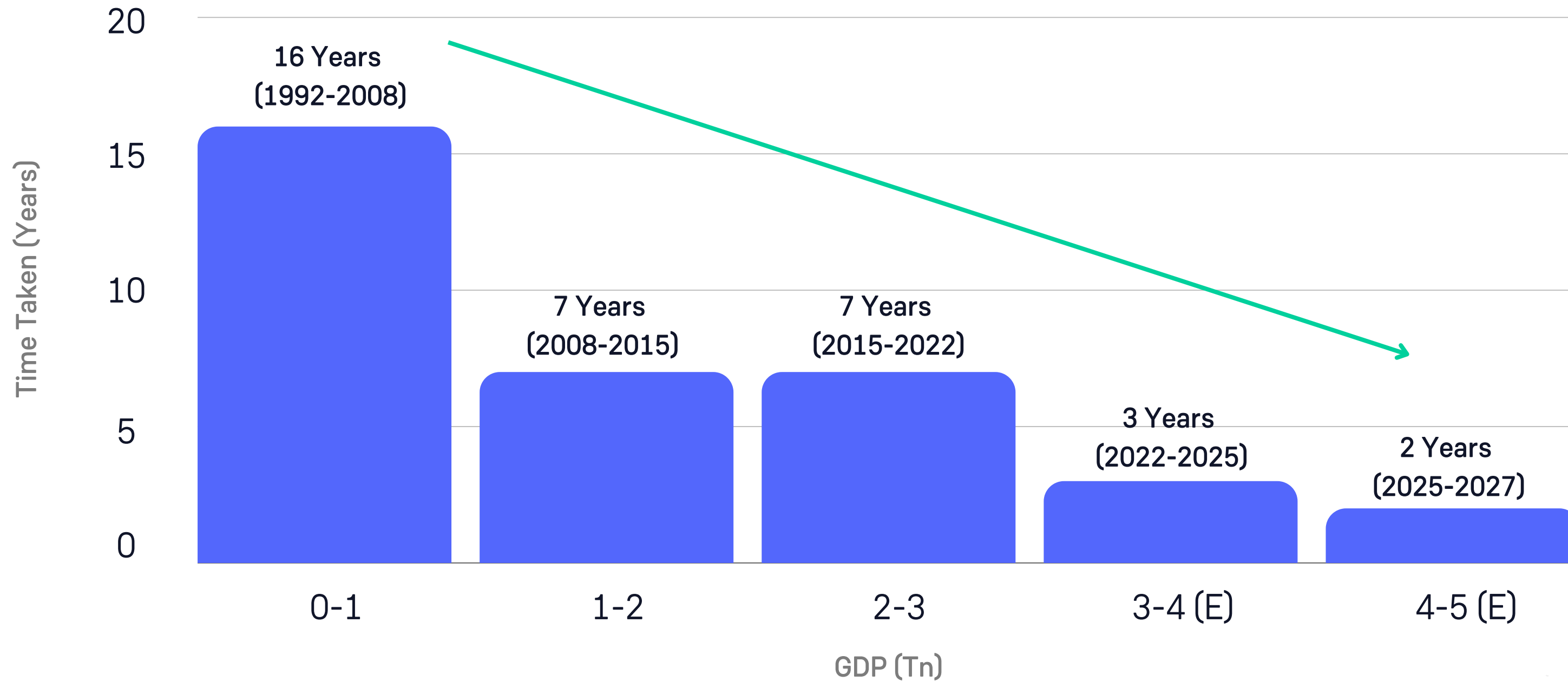
India's GDP outlook



Source: [Economics Times](#), September 21, 2024

Groww AMC does not provide any assurance or guarantee regarding the accuracy or reliability of any projected figures or forecasts of third party. The information provided herein is for general informational purposes only and should not be considered as financial advice. Consult your financial advisor before investment.

Timeline to reach incremental \$1 trillion GDP is decreasing



Source: [Hindustan Time](#), June 5, 2024

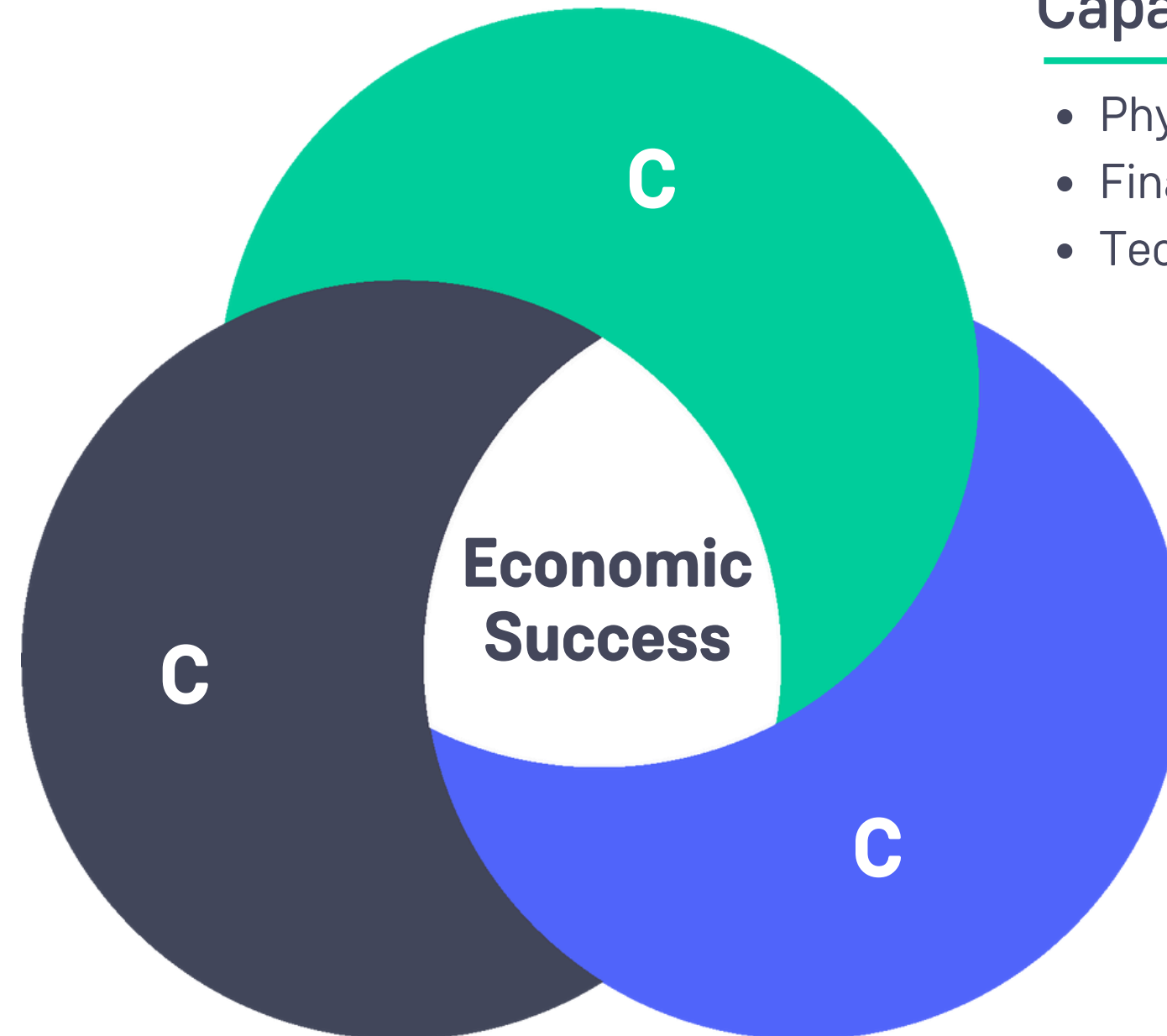
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Why it is India's moment (3Cs of Economic Success)

For any country to succeed, its economy needs the 3Cs:
Capability, Capacity, and Confidence.

Confidence

- Individual Confidence
- Enterprise Confidence
- Government Confidence



Capacity

- Physical Capacity
- Financial Capacity
- Technological Capacity

Capability

- Individual Capability
- Enterprise Capability
- Governance Capability

Capacity in the Indian context

Physical Capacity

The rapid development of road and highway networks, railways, airports, and ports is significantly enhancing connectivity and bringing productivity gains

Financial Capacity

Highly resilient banking system rising, increased dependence on domestic borrowings, controlled current account deficit, Aadhaar-driven KYC, tech-driven innovation such as AA, UPI giving access to the underserved, flourishing capital markets, providing risk capital for growth

Technological Capacity

High internet penetration, size of the digital economy expected to leapfrog over the next decade



Supply chain costs have dropped from 14% to 8-9% of GDP

Source - [CNBCTV](#), Mar 8, 2024



Lower NPA% and improvement in credit ratio indicative of improvement of health of banks / financial institutions.

Source - RBI database, Groww AMC Research , Dec 22nd 2024



The digital payments landscape is set to grow 3x by 2028-29

Source - [EconomicTimes](#), 28 Aug, 2024

Capability in the Indian context

Individual Capability

Large, young workforce with increasing levels of skill and education

Enterprise Capability

Economic privatisation, highly skilled leadership, growth and entrepreneurial mindset, and GDP share from MSMEs is increasing. India has world class companies across sectors with deep managerial capabilities

Government Capability

Shift towards capitalist mindset, push towards tech adoption and transparency, evolving economic policies, wide-ranging structural and governance reforms, focus on fiscal prudence



Median Age of the Population:
29.8 years
Global Average : 33.87 years

Source - [Worlddata](#), Sept 18, 2024



9x Increase in Indian companies in
Fortune 500 (2010-2024)

Source - [Fortune.com](#)



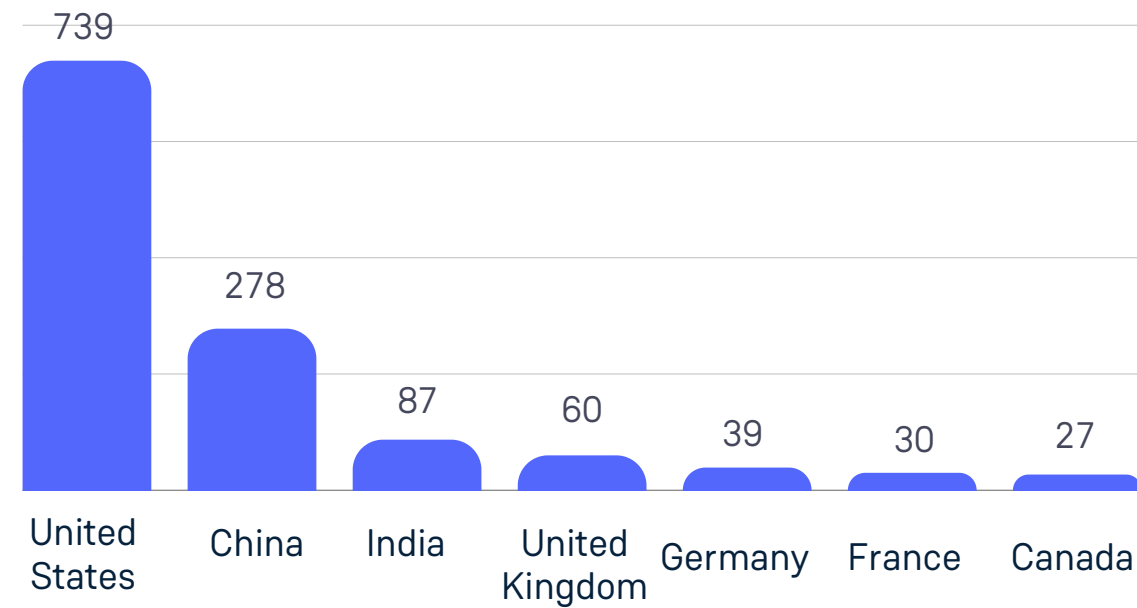
The Insolvency Code (IBC) recovery rate :
Improved from 26% to 81%
Resolution time : Reduced to 1 year, from
4.3 years

Source: WorldBank Ease of Doing Business database, Nov
10, 2023

Confidence in the Indian context

Individual confidence

India ranks #3 globally, in terms of number of unicorns



Source - [Statista](#), 12th September 2024

Global confidence

Confidence is being driven by highly skilled labour and rising levels of affluence



70% of Fortune 500 companies are planning to set up their Global Capability Centers in the country by 2030

Source - [FortuneIndia](#), Sept 12th 2024

Government confidence

Rising scale of government project in India



NIP to invest ₹111 lakh crore in large-scale infrastructure projects

Source - Department of Economic Affairs, Government of India, 2019-2025.

A Multicap Fund: The Ideal Way to
Harness India's Growth Potential

ONE INDIA, MULTIPLE GROWTH OPPORTUNITIES



In India, winners can emerge from anywhere

While returns in certain markets like U.S. are led by large caps, India's markets are driven by a diverse mix of mid, small, and micro-cap companies, highlighting the value of broad exposure.

Returns	US Stock Market		Indian Stock Market	
	10-year - US Stock Market	5 year - US Stock Market	10-year - India Stock Market	5 year - India Stock Market
Largecap Returns	13.29%	15.88%	14.06%	19%
Midcap Returns	10.23%	11.23%	20.30%	31.43%
Smallcap Returns	9.60%	10.61%	17.49%	33.16%

Source - Vanguard, NSE Indices, BSE Indices, data as of October 9, 2024

Past performance may or may not be sustained in future and is not a guarantee of any future returns.

In India, winners can emerge from anywhere

Compared to other equity markets, returns from India's equity markets have been generated from multiple sectors.

Sector	US			
	1 year	3 years	5 years	10 years
Health Care	21.96%	6.05%	12.59%	10.92%
Information Technology	42.38%	14.83%	22.32%	20.81%
Consumer Staples	22.99%	9.61%	9.70%	9.36%
Financials	39.70%	8.30%	12.03%	11.44%

Sector	India			
	1 year	3 years	5 years	10 years
Nifty Healthcare	58%	19.47%	28.94%	11.39%
Nifty IT	34.64%	7.44%	25.54%	16.66%
Nifty India Consumption	49.15%	20.85%	22.01%	15.70%
Nifty Financial services	21.38%	9.84%	13.48%	14.79%

Source - Vanguard, NSE Indices, BSE Indices, Date : 9th October 2024, Vanguard ETFs considered for benchmarking US returns for sectors

Past performance may or may not be sustained in future and is not a guarantee of any future returns.

In India, winners can keep changing

Winners are continuously shifting among different market capitalisations, making it important to have exposure to all segments, to capitalise on areas with potential returns.

Rank	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	NIFTY SMALLCAP 250	NIFTY SMALLCAP 250	NIFTY MIDCAP 150	NIFTY 100	NIFTY 100	NIFTY 100	NIFTY SMALLCAP 250	NIFTY SMALLCAP 250	NIFTY 100	NIFTY SMALLCAP 250	NIFTY MIDCAP 150
2	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY 100	NIFTY MIDCAP 150	NIFTY SMALLCAP 250	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY SMALLCAP 250
3	NIFTY 100	NIFTY 100	NIFTY SMALLCAP 250	NIFTY SMALLCAP 250	NIFTY MIDCAP 150	NIFTY SMALLCAP 250	NIFTY 100	NIFTY 100	NIFTY SMALLCAP 250	NIFTY 100	NIFTY 100

In India, winners can keep changing

Winners continually shift among various sectors, making broad sector exposure an important factor to consider when aiming to enhance opportunities.

Time Period	IT	Pharma	FMCG	Auto	Infrastructure	Manufacturing	Financial
2017	6	7	3	5	2	4	1
2018	1	4	2	7	5	6	3
2019	2	6	4	7	3	5	1
2020	2	1	4	6	5	3	7
2021	1	7	6	4	2	3	5
2022	7	6	1	2	4	5	3
2023	6	3	5	1	2	4	7

Source - NSE, September 4, 2024

Past performance may or may not be sustained in future and is not a guarantee of any future returns.

In India, markets are dynamic

Valuations vary across market caps, making timing tough. Exposure to all caps helps rupee cost averaging.

	Large cap	Mid cap	Small cap
August 2020 - February 2021	overvalued	overvalued	undervalued
January 2023 - February 2023	at par	at par	undervalued
November 2023 - December 2023	undervalued	at par	overvalued

A P/E above the 5-year average signals overvaluation; below suggests undervaluation

In India, markets are diverse

Each market cap has unique industries, making Multicap funds one of the potentially most efficient ways to aim for diversification of a portfolio.

Large-cap unique basic industries

- 2/3 Wheelers
- Airline
- Coal
- Diversified FMCG
- Diversified Metals
- Diversified Retail
- Other Beverages
- Packaged Foods
- Paints
- Passenger Cars & Utility Vehicles
- Personal Care
- Pharmaceuticals
- Port & Port services

Midcap unique basic industries

- Airport & Airport services
- Commercial Vehicles
- Copper
- Edible Oil
- Explosives
- Financial Technology (Fintech)
- Garments & Apparels
- General Insurance
- Healthcare Research Analytics & Technology
- Industrial Gases
- Iron & Steel Products
- IT Enabled Services
- Logistics Solution Provider

Smallcap unique basic industries

- Abrasives & Bearings
- Animal Feed
- Business Process Outsourcing (BPO)/ Knowledge Process Outsourcing (KPO)
- Carbon Black
- Ceramics
- Cigarettes & Tobacco Products
- Commodity Chemicals
- Computers Hardware & Equipments
- Construction Vehicles
- Depositories Clearing Houses and Other Intermediaries
- Electrodes & Refractories
- Film Production Distribution & Exhibition
- Financial Products Distributor

In India, markets are diverse

Certain sectors have market leaders beyond large caps. Exposure to market leaders might require diversification across market caps.

	Mid Cap	Small Cap
Industry with the top market leader	BPO/ITes	Agriculture
Industry with the top market leader	Finance - Stock Broking	Niche chemical companies

What is a Multicap fund?

Multicap funds are designed to allocate a minimum of 25% of their assets to each of the three market cap categories: large-cap, mid-cap, and small-cap. The remaining 25% can be dynamically managed by the fund manager based on market conditions.

Allocation Breakdown

Market Cap Category	Percentage Allocation	Characteristics
Large Caps	25% - 50%	Top 100 companies by market cap
		Well-established businesses
		Stable and less volatile
Mid Caps	25% - 50%	Companies ranked 101 to 250 by market cap
		Mid-sized companies with growth potential
		More volatile than large caps
Small Caps	25% - 50%	Companies ranked beyond 250
		Niche businesses with high growth potential
Flexible Portfolio	Up to 25%	Investment across market segments or in debt and money market instruments

Multicap category : Potential to outperform Nifty 50

Performance and Sharpe Ratio Comparison of Nifty 500 Multicap (50:25:25) vs. Nifty 50

CAGR	1YR	3YR	5YR	10YR	15YR
NIFTY500 MULTICAP 50:25:25	46.59%	22.86%	27.37%	16.91%	16.07%
NIFTY 50	34.39%	16.16%	20.43%	13.76%	13.50%

Sharpe Ratio	1YR	3YR	5YR	10YR	15YR
NIFTY500 MULTICAP 50:25:25	11.11	4.55	3.39	1.71	1.18
NIFTY 50	8.71	3.24	2.38	1.23	0.77

Multicap : A more disciplined approach to investing

Historically, Multicap portfolios have been less volatile.

Rank	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1	NIFTY SMALLCAP 250	NIFTY SMALLCAP 250	NIFTY MIDCAP 150	NIFTY SMALLCAP 250	NIFTY 100	NIFTY 100	NIFTY SMALLCAP 250	NIFTY SMALLCAP 250	NIFTY 100	NIFTY SMALLCAP 250	NIFTY MIDCAP 150
2	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY 100	NIFTY MIDCAP 150	NIFTY500 MULTICAP 50:25:25	NIFTY500 MULTICAP 50:25:25	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY SMALLCAP 250
3	NIFTY500 MULTICAP 50:25:25	NIFTY500 MULTICAP 50:25:25	NIFTY500 MULTICAP 50:25:25	NIFTY500 MULTICAP 50:25:25	NIFTY MIDCAP 150	NIFTY MIDCAP 150	NIFTY500 MULTICAP 50:25:25	NIFTY500 MULTICAP 50:25:25	NIFTY500 MULTICAP 50:25:25	NIFTY500 MULTICAP 50:25:25	NIFTY500 MULTICAP 50:25:25
4	NIFTY 100	NIFTY 100	NIFTY SMALLCAP 250	NIFTY 100	NIFTY SMALLCAP 250	NIFTY SMALLCAP 250	NIFTY 100	NIFTY 100	NIFTY SMALLCAP 250	NIFTY 100	NIFTY 100

Why Groww Multicap Fund?



AMC Investment Philosophy: Quality & Growth at Reasonable Price (Q-GaRP)



Aim to capture growth opportunities across market caps and themes



True to Multicap Portfolio



Groww Multicap Fund:

Q-GaRP



Investment philosophy: Q-GaRP (Quality & Growth at Reasonable Price)



Growing Companies

Growth is essential for wealth creation and is one of the essential triggers for unlocking value. Companies that grow quickly often experience faster re-ratings, leading to P/E expansion and driving returns.



Quality Companies

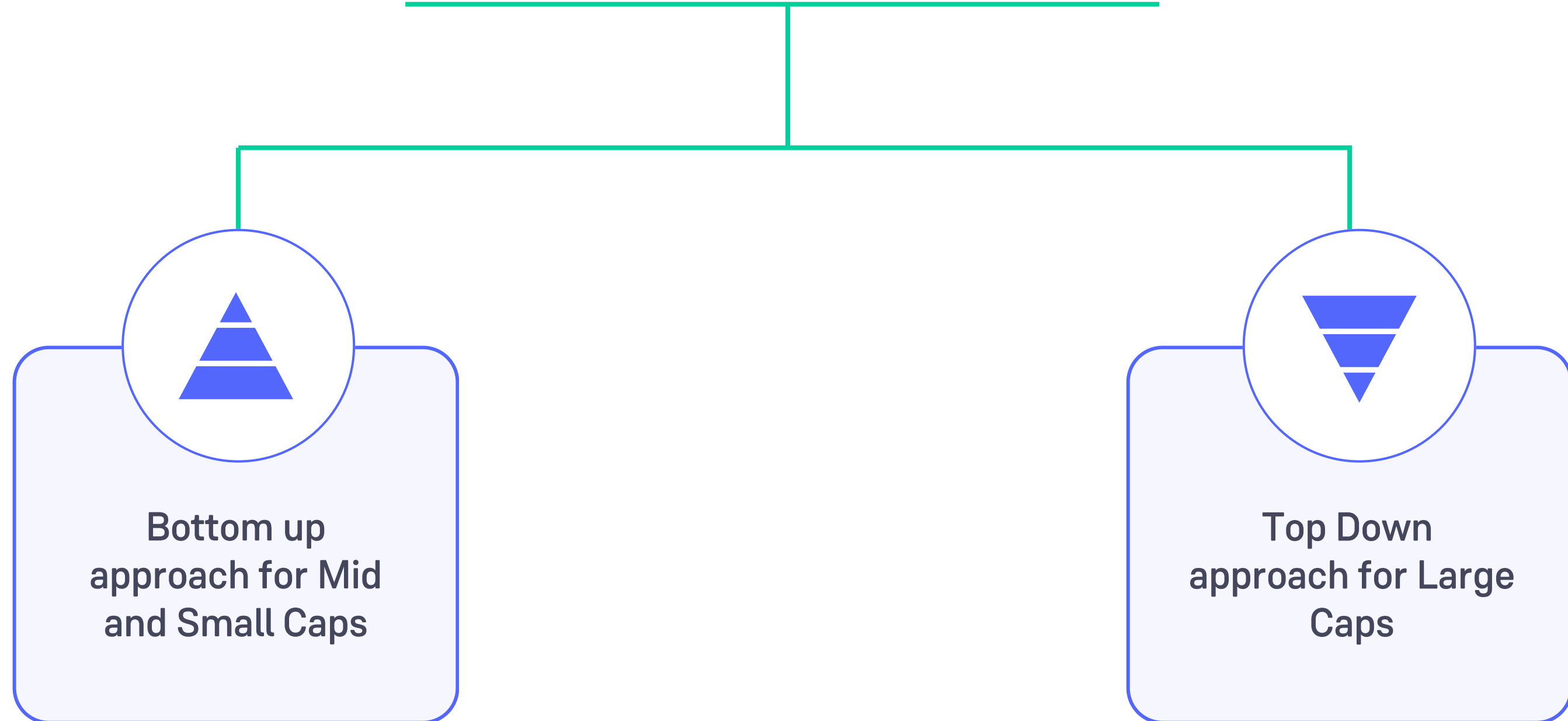
While growth offers the potential for rapid expansion, not every company that is growing will create value for its shareholders. Companies with strong balance sheets, good governance, competitive advantages, and capable management teams are more likely to capitalise on opportunities.



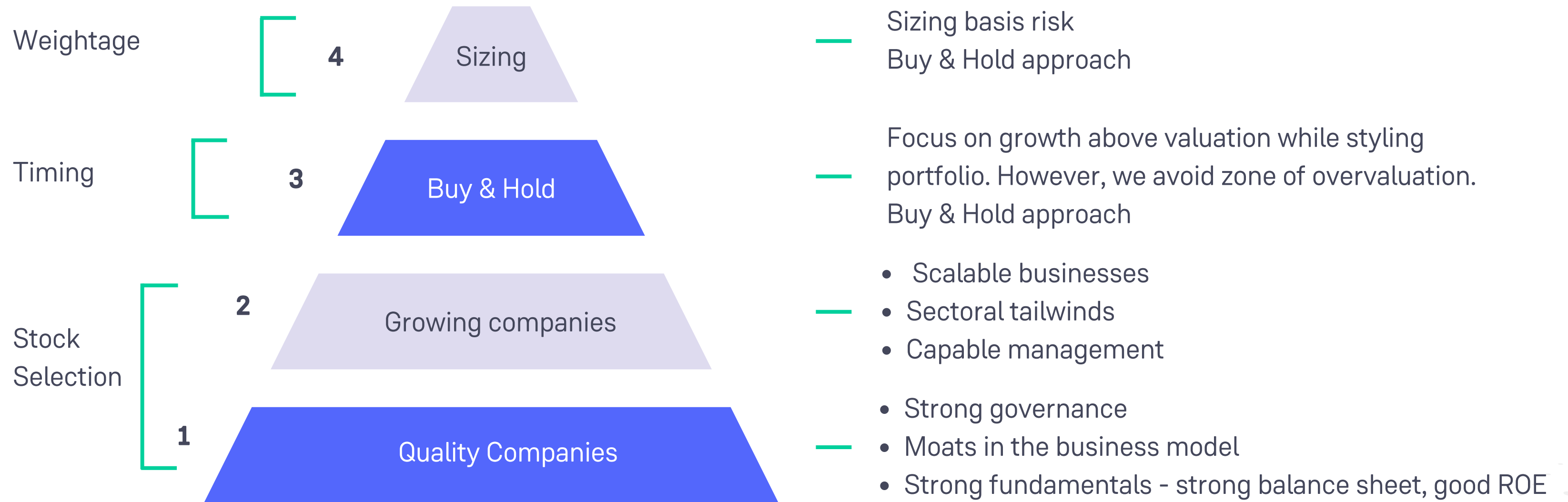
Valuation Discipline

Paying a reasonable price is crucial. Overpaying for even the best companies can lead to subpar returns. The focus on acquiring high-quality companies at reasonable valuations ensures that you're not only banking on growth but also protecting downside risk. Focusing on valuation ensures that the risk return tradeoff always works for us and not against us.

How do we execute QGaRP?

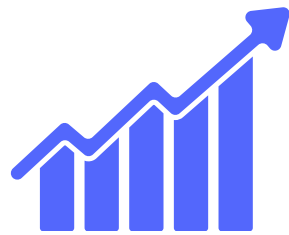


Bottom-Up Q-GaRP portfolio construction for Mid & Small Caps



Bottom-up Q-GaRP portfolio construction

Stock Selection - 1/3



Step 1 - Identify high growth companies

Seek out scalable businesses benefiting from strong sectoral tailwinds and positioned for sustainable, long-term growth, as growth is the key to unlocking value.

Step 2 - Filtering for quality



Focus on identifying high-quality companies capable of realising this growth potential and generating value for shareholders through:

- Competitive moats
- Skilled management
- Strong financials

Bottom-up Q-GaRP portfolio construction

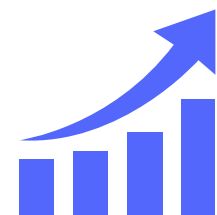
Timing - 2/3

Buy and Hold approach



Focusing on entry points

Once we identify a pipeline of high-growth + high-quality companies, the key is to carefully time our entry points.



Growth >> Strict Valuation

For mid and small caps, we prioritize growth over strict valuation metrics due to their significant runway for expansion. Investing in these high-potential companies, even at slightly higher valuations, can lead to wealth creation, as much of the future growth is yet to be priced in.



Buy and Hold

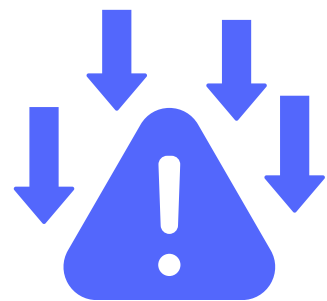
Once we have identified the companies that we want to invest in, we will "**buy and hold**" till the story plays out.

Bottom-up Q-GaRP portfolio construction

Weightage - 3/3



- We believe position sizing is about allocating risk, not capital. Every company carries inherent risks, including:
 1. Financial risk: The company's ability to weather adverse events.
 2. Management risk: The potential for poor leadership or the departure of key executives.
 3. Business cycle risk: Vulnerability to economic downturns.



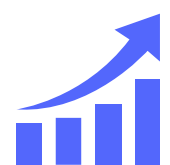
- Our position sizing is inversely proportional to the likelihood of loss, meaning we allocate more where the risk is lower, optimising our exposure to minimise downside potential.

Top-down portfolio constructions Q-GaRP for Large Caps



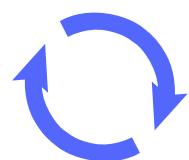
Top-down Q-GaRP portfolio construction

Stock Selection - 1/3



Identify growth sectors

Identify sectors positioned for long-term, sustainable growth.



Monitor earnings cycle

Monitor earnings upgrade and downgrade cycles to capitalise on multiple re-rating opportunities.



Sector weightage

Determine which sectors to overweight or underweight based on growth potential.



Stock selection

Focus on high-quality companies that demonstrate strong competitive moats, capable management, and robust financials for lasting value creation.

Top-down Q-GaRP portfolio construction

Timing - 2/3



Active portfolio management



Timing earning cycles

Timing is crucial for large caps. We focus on identifying earnings upgrade and downgrade cycles to time our entry strategically



Active Rebalancing

Active sector and stock rotation basis earning upgrade downgrade cycle



Valuation>>Growth

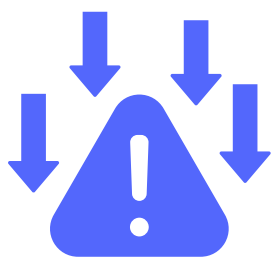
When selecting companies, we prioritize valuation over growth, as large caps have more constrained growth potential compared to mid and small caps, making valuations a more critical factor for maximizing returns.

Top-down Q-GaRP portfolio construction

Weightage - 3/3



- We believe that position sizing is about allocating risk, not capital. Every investment carries inherent risks, including:
 1. Stock specific risk: Including financial, management, and business cycle risks.
 2. Allocation risk: The potential for misjudgment in sector or market cap allocation.



- Our position sizing is inversely proportional to the likelihood of loss, meaning we allocate more where risk is lower, optimising our exposure to minimise downside potential.

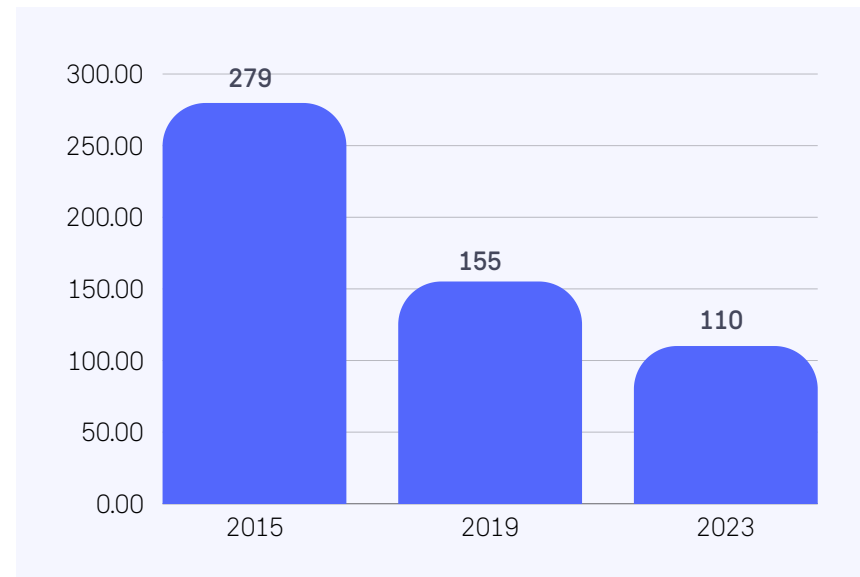
Groww Multicap Fund:

Current Growth Opportunities

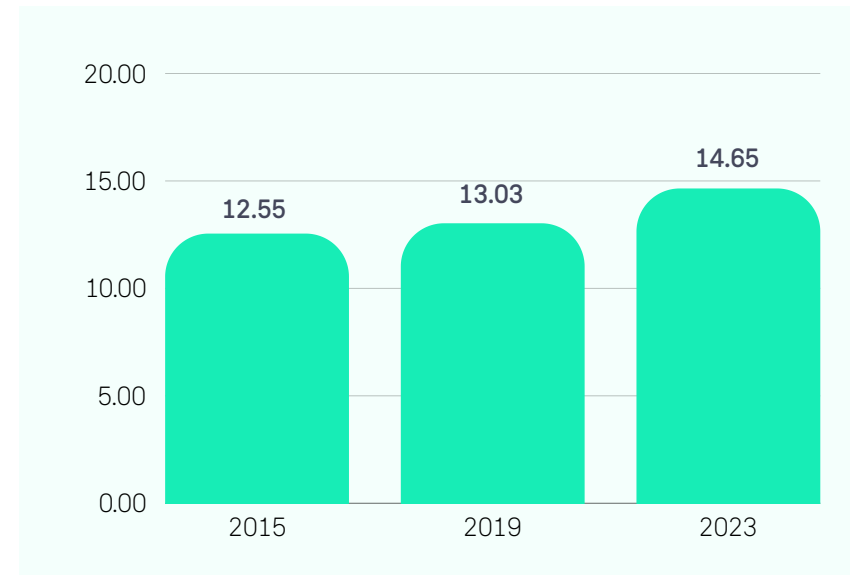


Growth Opportunities : Potential of Mid and Small Caps

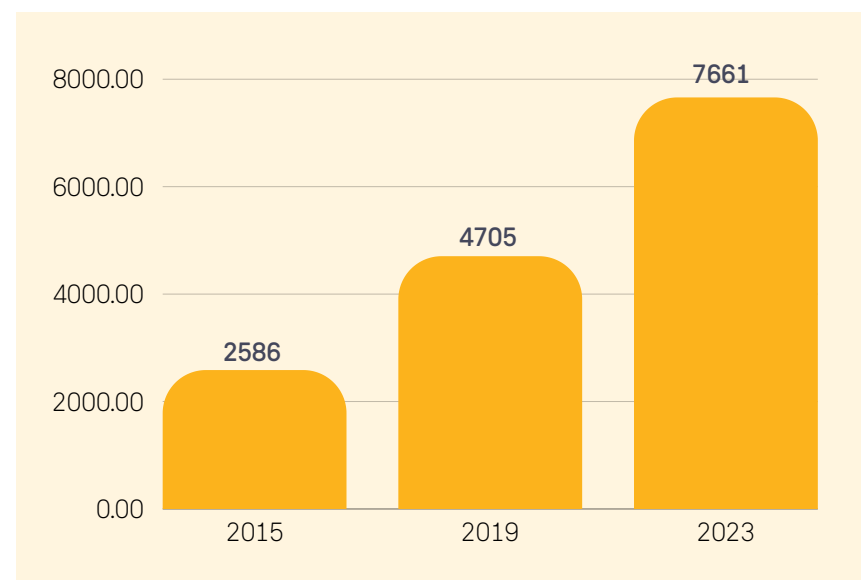
The quality of Small Caps is increasing over time



Debt to Equity (%)



ROE (%)

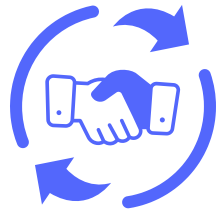


EPS

- Better access to talent
- Better access to the capital
- Better access to market

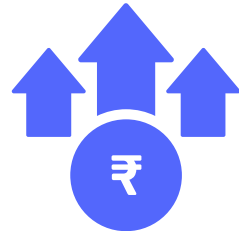
Growth Opportunities : Export resurgence - Barriers removed, growth unleashed

Growth Drivers



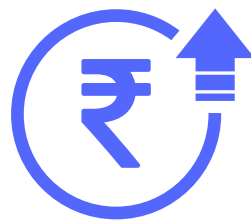
China's reducing dominance in global trade

Geo-political tensions between China and major world economies and changing demographic dynamics of the country has resulted in China being out of favour in global trade



Government support to export

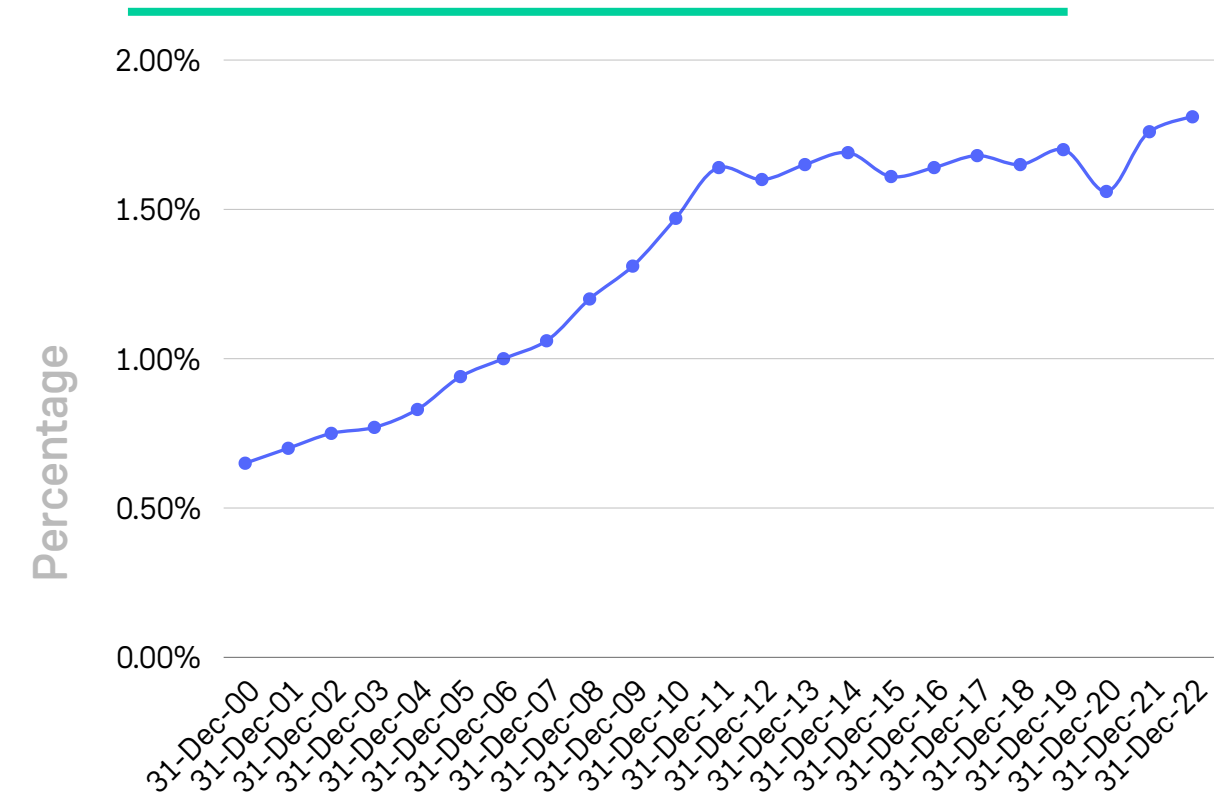
Initiatives like the PLI scheme and the Make in India program aim to boost competitiveness in global markets



Reducing cost of capital

Policy reforms in the financial sector and ease of business operations have given impetus to growth in MSMEs

India's export as a percentage of global export



Source - World bank, October 8, 2024

Sectors that are in focus



Auto ancillary



Chemicals

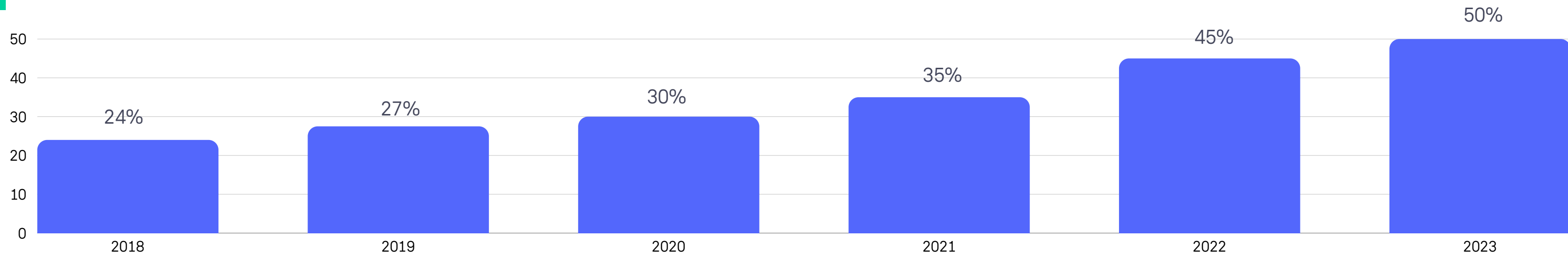


IT

Growth Opportunities : Rise of premium consumption in real estate, auto & jewellery

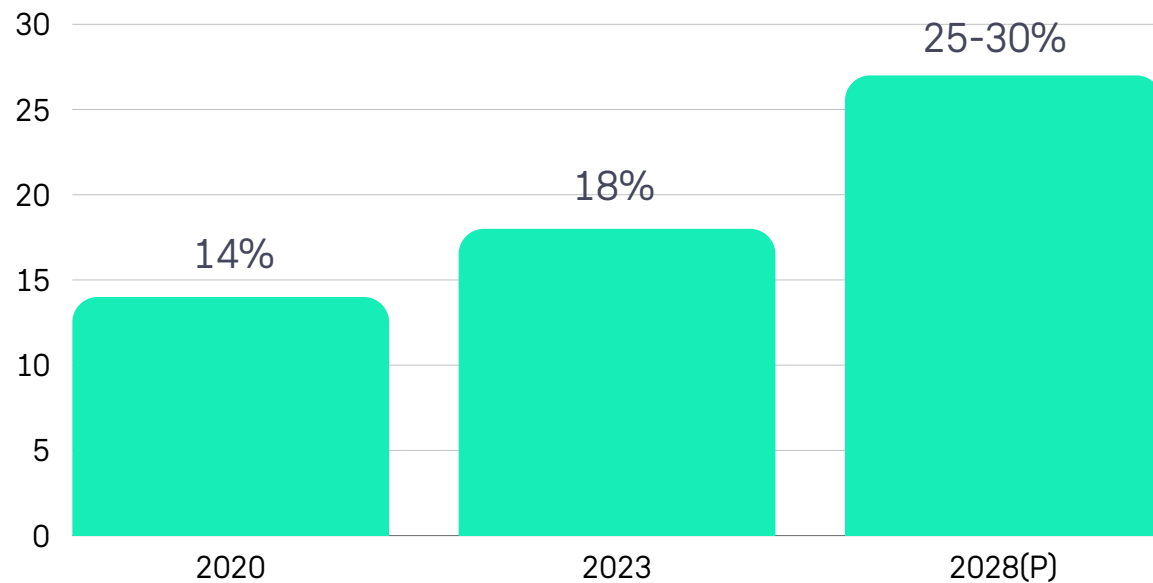
Indians are moving towards premium products as income increases.

Share of luxury and ultra luxury residential units increased 2x between 2019 - 2023



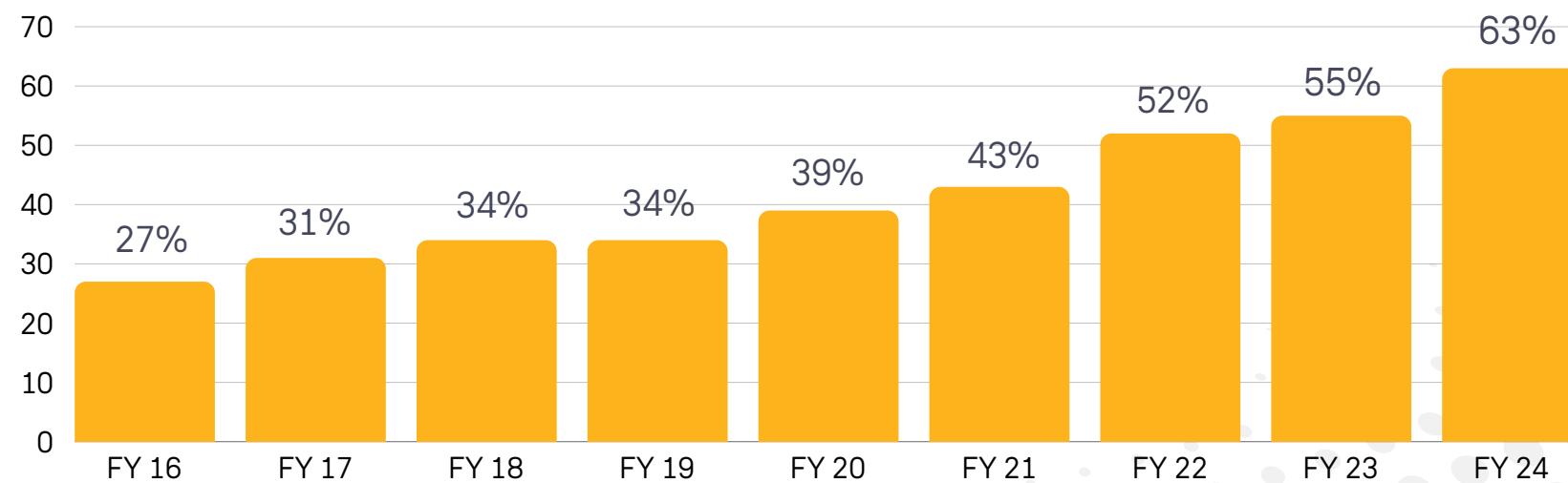
Source - Anarock research, October 8, 2024

Indian Jewellery Market Size - by Studded vs Plain Jewelry In INR Billion (USD Billion), CY 2020, CY 2023, CY 2028



Source - Redseer research and analysis, October 8, 2024

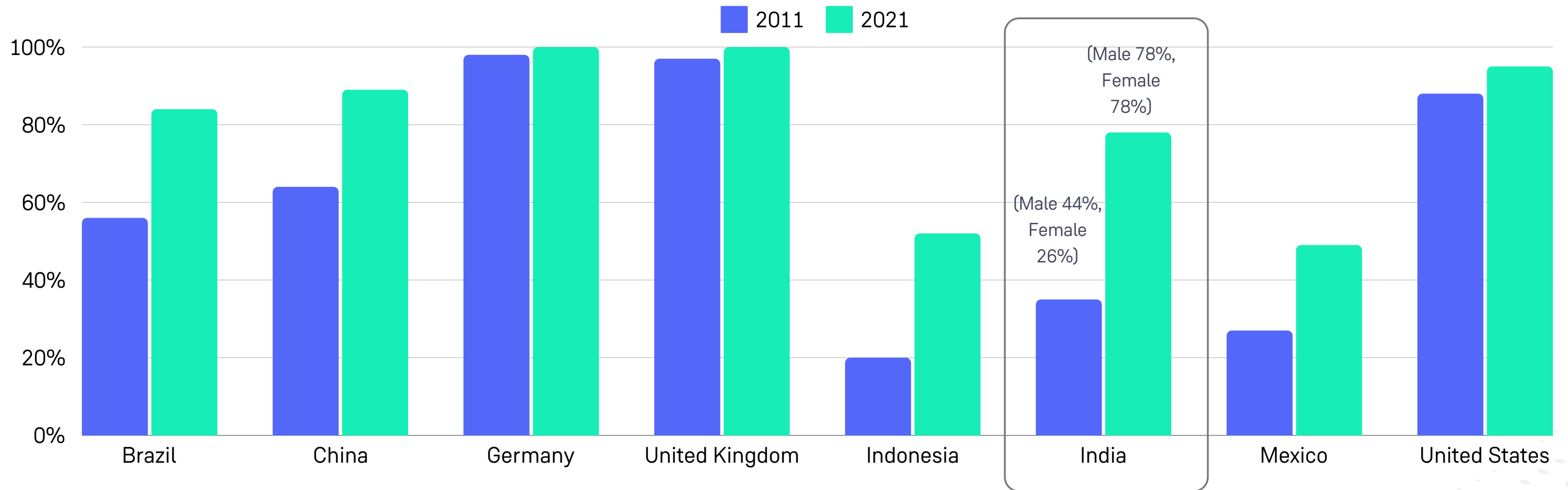
Share of SUV vehicle is increasing



Source -Siam.in October 8, 2024

Growth Opportunities : Financialisation to boost retail participation

Account ownership at a financial institution/ mobile money service provider % working age population(> 15 years age)



Growth Opportunities : Infrastructure boost



National Infrastructure Pipeline (NIP)

The NIP aims to invest around INR 111 lakh crore (approximately \$1.5 trillion) in infrastructure projects by 2025.



Gati Shakti

Gati Shakti - a National Master Plan aimed at multimodal connectivity, integrating and aligning infrastructure projects across various sectors.



Smart Cities Mission

The Smart Cities Mission focuses on developing 100 cities across India with modern infrastructure, sustainable practices, and smart solutions for urban living.



Dedicated Freight Corridors

The western and eastern dedicated freight corridors are large-scale rail infrastructure projects designed to decongest the existing rail network and improve the transportation of goods across India.



Pradhan Mantri Awas Yojana (PMAY)

PMAY aims to provide affordable housing for all, targeting the housing needs of the urban and rural poor.

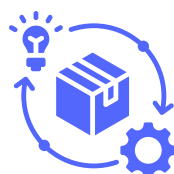
Growth Opportunities : Government push towards import substitution



Domestic demand is growing at a healthy rate



Higher labour and energy costs & supply chain disruptions globally are making imports more expensive



Govt. support to minimise import reliance in multiple sectors as well as schemes like PLI and Make in India to boost domestic production.

Sectors that are in focus



Pharma



Chemicals



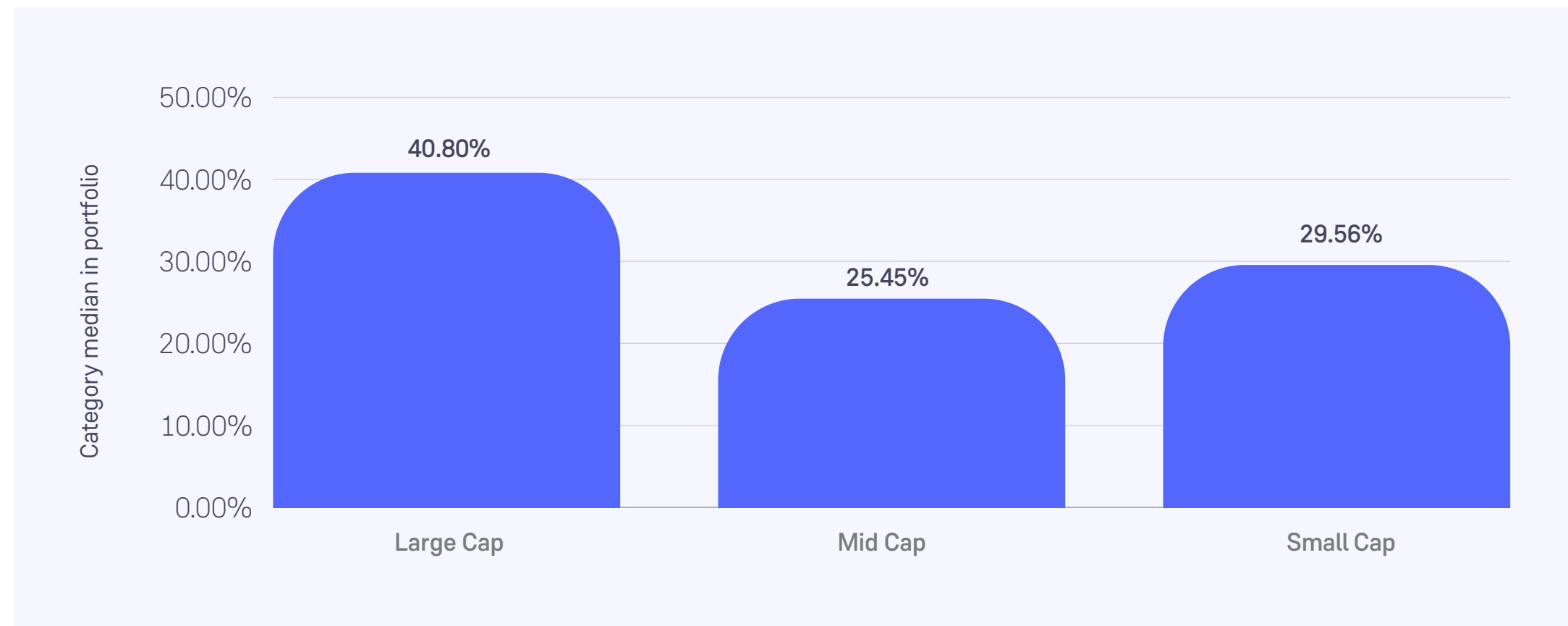
Defence

True to Multicap **PORTFOLIO**



Groww Multicap Fund: True to Multicap portfolio allocation

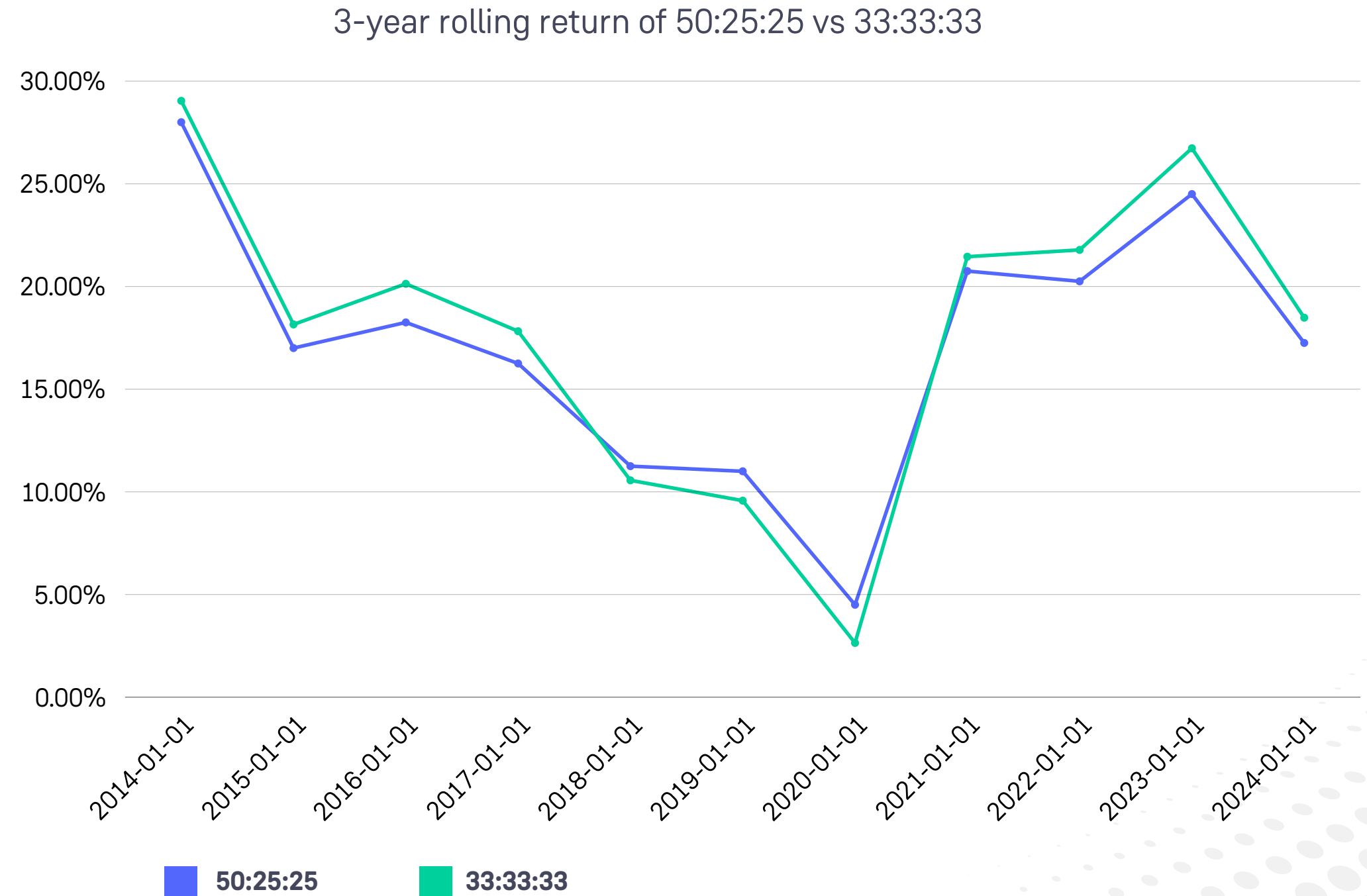
- We will be flexible with the remaining 25% of the multicap fund.
- We will not have any market cap bias and allocation will be based on market conditions
- We will aim to focus on growth opportunities throughout the length and breadth of the country
- The industry is large cap focused



True to Multi Cap portfolio has performed better than large cap Multicap portfolio

Data suggests that a true to Multicap portfolio has performed better than a Large Cap oriented Multicap portfolio.

	Multicap Ratio	Return
1 Year	50:25:25	36.32%
	33:33:33	37.69%
3 Years	50:25:25	19.57%
	33:33:33	21.20%
5 Years	50:25:25	24.81%
	33:33:33	26.57%
10 Years	50:25:25	16.04%
	33:33:33	16.70%
15 Years	50:25:25	15.14%
	33:33:33	15.55%

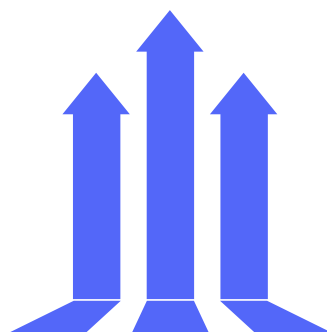


Source: NSE, September 18, 2024

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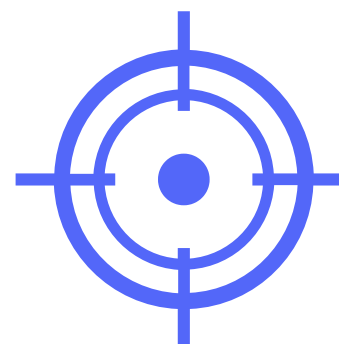
Take-Away : Why you may consider Groww Multicap Fund

One India, Multiple Growth Opportunities



- Winners can emerge from anywhere, and winners keep changing
- Indian markets are diverse

Aim to focus on Growth Pockets



- Mid Cap and Small Cap categories
- Export, premium consumption, financialisation, infrastructure and import substitution

True to Multicap



- Flexible allocation of the remaining 25% depending on market conditions

Scheme Details

Name of the Scheme	Groww Multicap Fund
Scheme Type	An open-ended equity scheme investing across large-cap, mid-cap, and small-cap stocks
Scheme Benchmark	Nifty 500 Multicap 50:25:25 Index - TRI
Investment Objective	To achieve long-term capital appreciation by predominantly investing in equity and equity-related instruments of large, mid and small-cap companies. However, there can be no assurance that the investment objective of the scheme will be realised.
Fund Manager	Anupam Tiwari
Minimum Investment Amount	Rs. 100 and in multiples of Rs.1/- thereafter
Exit Load	<p>a) 1% if redeemed/ switched out within 1 year from the date of allotment.</p> <p>b) NIL, if redeemed/ switched out after 1 year from the date of allotment</p>



Groww Multicap Fund

(An open-ended equity scheme investing across large-cap, mid-cap, and small-cap stocks)

PRODUCT LABEL#		
	Scheme Riskometer	Benchmark Riskometer
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> Investments in equity and equity-related instruments across large-cap, mid-cap and small-cap stocks Long-term capital growth 	<p>Investor understands that their principal will be at Very High Risk</p>	<p>Nifty 500 Multicap 50:25:25 Index TRI</p> <p>The Benchmark is at Very High Risk</p>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

#The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the Scheme Characteristics or model portfolio and the same may vary post NFO when actual investments are made.

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.