

## **EQUITY INVESTMENT FRAMEWORK: GCMV**

The GCMV is an internal investment framework used for determining fair valuation of stocks which further helps in estimating valuation gaps (fair valuation vis a vis market price), if any. Opportunities are identified based on the identification of Catalysts that helps in bridging the valuation gaps by re-rating of the stocks.

### **Growth**

- Pricing power
- Cost Efficiency
- New product cycles
- ESG risks & opportunities

### **Management**

- Management track record
- Capital Allocation
- Sustainability investments
- Governance structure

### **Top down & Bottom up analysis**

### **Cash-flow generation**

- Cost and margins
- Capital structure
- Ability to finance growth
- Overall financial strength

### **Valuation**

- Value creation
- Fair value analysis
- Secular ESG trends
- What has been priced in?

**Valuation  
gap**

**+**

**Catalysts**

**=**

**Re-rating**