



**Rest Assured**





# EQUITY PORTFOLIOS

**Rest Assured**





Surat, Gujarat, India.

# INDIA'S ONE OF THE LARGEST NETWORK OF FINANCIAL PRODUCTS DISTRIBUTION



NJ Started in 1994



1,500+ Employees



35,000+ NJ Partners



25 lacs+ Customers



70,000+ ₹ Crore AUA



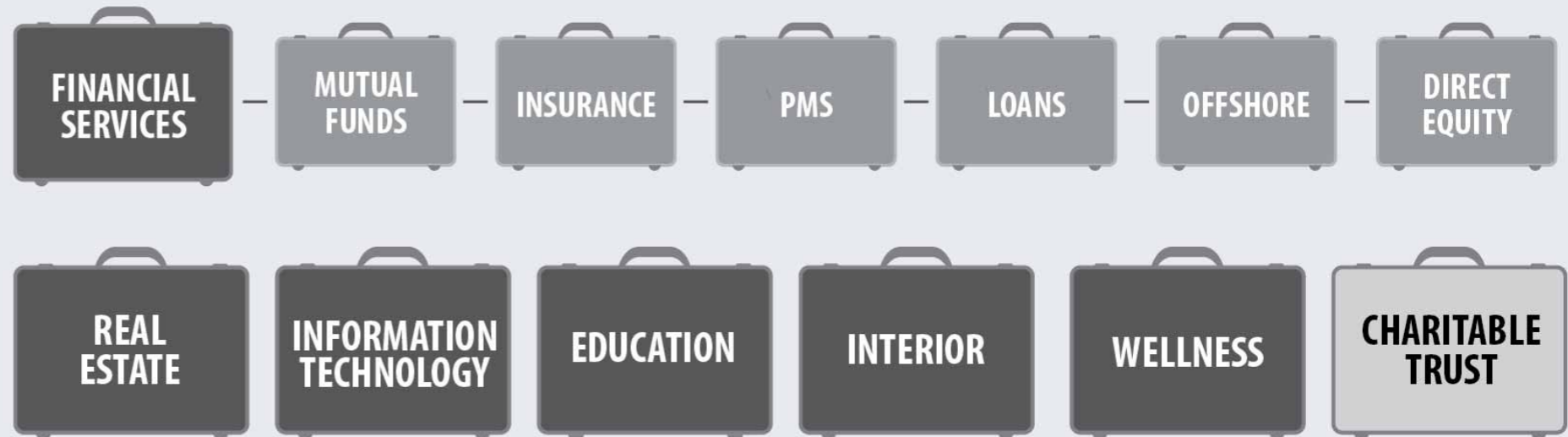
Present in 3 Countries

\*As on 2019

Welcome to NJ Group

An emerging, evolving and enterprising group expanding into newer horizons with great passion & belief. Headquartered in Surat, Gujarat, has business presence in diverse sectors, through 96 offices across India.

NJ Group is a leading player in the Indian financial services industry known for its strong distribution capabilities.



Rest Assured



## ABOUT NJ PMS

- The NJ PMS Business was started in the year 2010
- The total corpus under NJ PMS is currently **INR 1100 Cr +**
- NJ PMS currently offers multiple investment strategies under Dynamic Asset Allocation Portfolios and Equity Portfolios
- The core of the portfolio management is based on the rules based investing

# UNDERSTANDING RULES BASED INVESTING

- Securities selection in rules based funds are based on a pre defined set of rules
- This helps in eliminating the fund manager bias from the portfolio
- The rules help the portfolio remain **“true to label”** at all times
- The rules based models are back tested for their performance and volatility in various scenarios
- Rules based funds are gaining traction globally as it becomes tough to beat the benchmark

# PERCENTAGE OF GLOBAL EQUITY FUNDS OUTPERFORMED BY BENCHMARKS

FUND CATEGORY	COMPARISON INDEX	1 YR	3 YRS	5 YRS	10 YRS
EUROPE EQUITY *	S&P EUROPE 350	85.65	86.01	80.21	86.96
EUROZONE EQUITY *	S&P EUROZONE BMI	77.17	90.46	89.35	91.32
FRANCE EQUITY *	S&P FRANCE BMI	98.19	94.55	84.96	87.5
GERMANY EQUITY *	S&P GERMANY BMI	74.44	77.17	81.91	82.3
ITALY EQUITY *	S&P ITALY BMI	74.58	60	63.27	65.38
SPAIN EQUITY *	S&P SPAIN BMI	59.09	68.97	72.37	78.33
NETHERLANDS EQUITY *	S&P NETHERLANDS BMI	100	100	90.91	93.1
ALL DOMESTIC FUNDS ^	S&P COMPOSITE 1500	68.83	81.49	88.13	84.49
ALL LARGE-CAP FUNDS ^	S&P 500	64.49	78.98	82.14	85.14
ALL MID-CAP FUNDS ^	S&P MIDCAP 400	45.64	74.29	79.88	88.03
ALL SMALL-CAP FUNDS ^	S&P SMALLCAP 600	68.45	84.35	89.4	85.67
ALL MULTI-CAP FUNDS ^	S&P COMPOSITE 1500	66.79	82.44	88.58	86.36

- \* EURO-DENOMINATED FUNDS (EUR), Source: SPIVA Europe Scorecard
  - ^ US DOLLAR-DENOMINATED FUNDS (USD), Source : SPIVA U.S. Scorecard
- Data as on Dec. 31, 2018

**Rest Assured**



# PERFORMANCE OF ACTIVE FUNDS VIS-A-VIS TOTAL RETURN INDICES (INDIA)

CALENDAR YEAR	2018	2017	2016	2015	2014
No of Large Cap Funds	27	26	26	26	26
% of Funds Under-Performed against Nifty 50 TRI	96	54	65	8	12
% of Funds Under-Performed against Nifty Next 50 TRI	0	100	96	100	81

CALENDAR YEAR	2018	2017	2016	2015	2014
No of Multi Cap Funds	28	26	26	24	22
% of Funds Under-Performed against Nifty 500 TRI	79	54	62	38	5
% of Funds Under-Performed against Nifty Next 50 TRI	32	96	81	88	18

- In last 5 years, around 47% of the Large-cap Funds have underperformed the Nifty 50 TR indices.
- Around 48% of the Multi-cap Funds have underperformed the Nifty 500 TR indices.
- Around 75% of the Large-cap and around 63% of Multi-cap Funds have underperformed the Nifty Next 50 TR indices.

Source: Internal

**Rest Assured**



# PERFORMANCE OF ACTIVE FUNDS VIS-A-VIS TOTAL RETURN INDICES

CALENDAR YEAR	2018	2017	2016	2015	2014
No of Mid Cap Funds	21	20	20	20	19
% of Funds Under-Performed against NIFTY MIDCAP 100 TRI	33	85	70	45	16

- In last 5 years around 50% of the Mid-cap funds have underperformed the TR indices.

Source: Internal

**Rest Assured**





# FREEDOM ETF PORTFOLIO

**Rest Assured**



## OBJECTIVE & STRATEGY

- The investment objective is to generate capital appreciation in the medium term to long term through investments in equity oriented exchange traded funds (ETFs)
- The portfolio manager will seek to invest in various exchange traded funds available
- Security rebalancing will be done once a year

# ADVANTAGE OF EXCHANGE TRADED FUNDS

- **LOW EXPENSE RATIO:** expense ratio is far lower than active funds
- **DIVERSIFICATION:** Each ETF contain large no of stocks which help investor proper diversification
- **LOW PORTFOLIO TURNOVER:** Generally, active funds have more turnover compared to ETFs
- **UNBIASED APPROACH:** ETFs follow the changes of underlying index. Changes in underlying index is also based on predefined quantitative parameters. Hence, there are no bias related underlying securities which may present in active funds

# PORTFOLIO PERFORMANCE OF FREEDOM ETF PORTFOLIO (BACKTESTING)

PERIOD	FREEDOM ETF		NIFTY 500 TRI	
	RETURN	VOLATILITY	RETURN	VOLATILITY
1 YR	1.42	3.77	3.71	3.77
2 YRS	1.92	4.63	5.49	4.24
3 YRS	7.65	4.40	9.44	3.95
5 YRS	10.00	4.29	9.07	4.03
10 YRS	11.14	4.98	9.78	4.63
SINCE INCEPTION	13.99	7.41	13.43	6.76

- Performance is as on 30 Sept 2019; Calculated on a CAGR basis
- Performance is post fees and expenses
- Back tested data is calculated on Nifty 50 TRI(25%), Nifty Next 50 TRI(50%), Nifty Midcap 150 TRI(25%) and Bank FD till 31 March, 2018 then after actually portfolio is considered for calculating performance
- Inception Date of the back-testing portfolio is 01 Apr 2005
- Fees is considered as 0.5% of management fees, other charges and GST
- Past performance may or may not sustain in future

**Rest Assured**



# PORTFOLIO PERFORMANCE OF FREEDOM ETF PORTFOLIO (BACKTESTING)

<b>FREEDOM ETF</b>	<b>1 YEAR ROLLING</b>	<b>3 YEAR ROLLING</b>	<b>5 YEAR ROLLING</b>	<b>10 YEAR ROLLING</b>
NO OF OBS.	162	138	114	54
AVERAGE	18.07	12.99	13.77	13.64
NO OF OBS. WITH NEGATIVE RETURNS	38	12	1	0
MAXIMUM	133.64	34.65	23.84	20.49
MINIMUM	-62.70	-10.56	-0.44	9.06

<b>NIFTY 500 TRI</b>	<b>1 YEAR ROLLING</b>	<b>3 YEAR ROLLING</b>	<b>5 YEAR ROLLING</b>	<b>10 YEAR ROLLING</b>
NO OF OBS	162	138	114	54
AVERAGE	16.01	11.41	11.84	11.72
NO OF OBS. WITH NEGATIVE RETURNS	38	9	2	0
MAXIMUM	100.73	37.82	22.69	17.19
MINIMUM	-56.54	-6.28	-1.23	7.12

- Returns are on a CAGR basis; Data is for April 2005 to Sept 2019
- Performance is post fees and expenses.
- Back tested data is calculated on Nifty 50 TRI(25%), Nifty Next 50 TRI(50%), Nifty Midcap 150 TRI(25%) and Bank FD till 31 March, 2018 then after actually portfolio is considered for calculating performance
- Inception Date of the back-testing portfolio is 01 Apr 2005
- Fees is considered as 0.5% of management fees, other charges and GST
- Past performance may or may not sustain in future

**Rest Assured**



# BLUECHIP PORTFOLIO

Rest Assured



## OBJECTIVE & STRATEGY

- The investment objective is generate capital appreciation in medium to long term by investing in well-established companies.

### **The proposed investment strategy is summarized below:**

- Identify strong companies based on parameters such as Revenue Growth, ROCE, RoE, Free Cash Flow and Loan Book Growth
- Companies should be part of top 300 companies based on total market capitalisation
- Top 15 companies selected based on above parameters
- Rebalancing will be done once a year\*

Note: \*Portfolio manager may rebalance portfolio in other periods based on company specific extra ordinary situations.

# PORTFOLIO PERFORMANCE OF BLUECHIP PORTFOLIO (BACKTESTING)

PERIOD	BLUECHIP		NIFTY 500 TRI	
	RETURN	VOLATILITY	RETURN	VOLATILITY
1 YR	1.16	3.26	3.71	3.77
2 YRS	6.01	3.87	5.49	4.24
3 YRS	8.14	3.62	9.44	3.95
5 YRS	10.94	3.83	9.07	4.03
10 YRS	15.06	4.08	9.78	4.63
SINCE INCEPTION	18.93	5.33	13.43	6.76

- Performance is as on 30 Sept 2019; Calculated on a CAGR basis
- Performance is post fees and expenses
- Back tested data is calculated till 31 March, 2018 then after actual portfolio is considered for calculating performance
- Fees is considered as 2% of management fees, other charges and GST
- Inception Date of the back-testing portfolio is 01 Apr 2005
- Past performance may or may not sustain in future

**Rest Assured**





# PORTFOLIO PERFORMANCE OF BLUECHIP PORTFOLIO (BACKTESTING)

BLUECHIP	1 YEAR ROLLING	3 YEAR ROLLING	5 YEAR ROLLING	10 YEAR ROLLING
NO OF OBS.	162	138	114	54
AVERAGE	19.94	17.83	18.97	18.82
NO OF OBS. WITH NEGATIVE RETURNS	25	3	0	0
MAXIMUM	109.51	38.67	29.51	23.77
MINIMUM	-36.98	-3.45	10.32	15.06

NIFTY 500 TRI	1 YEAR ROLLING	3 YEAR ROLLING	5 YEAR ROLLING	10 YEAR ROLLING
NO OF OBS	162	138	114	54
AVERAGE	16.01	11.41	11.84	11.72
NO OF OBS. WITH NEGATIVE RETURNS	38	9	2	0
MAXIMUM	100.73	37.82	22.69	17.19
MINIMUM	-56.54	-6.28	-1.23	7.12

- Returns are on a CAGR basis; Data is for April. 2005 to Sept 2019
- Performance is post fees and expenses
- Back tested data is calculated till 31 March, 2018 then after actual portfolio is considered for calculating performance
- Fees is considered as 2% of management fees, other charges and GST
- Inception Date of the back-testing portfolio is 01 Apr 2005
- Past performance may or may not sustain in future

**Rest Assured**



# NJ PMS - PRODUCT FEATURES

SR. NO.	STRATEGIES	UPFRONT FEES*	MANAGEMENT FEES P.A.*
1	Freedom ETF Portfolio	Nil	INVESTMENT < 2 CRORES : 1.0%
			INVESTMENT ≥ 2 CRORES : 0.5%
			INVESTMENT ≥ 10 CRORES : 0.3%
2	Bluechip Portfolio	Upto 1%	INVESTMENT < 2 CRORES : 2.5%
			INVESTMENT ≥ 2 CRORES : 2.0%
			INVESTMENT ≥ 10 CRORES :1.2%

## COMMON FEATURES

Minimum Investment per client	₹ 25.25 Lacs and mutiple of Re.1 thereafter
Minimum Investment per strategy	₹ 5 Lacs and mutiple of Re.1 thereafter
Mode of Investment	Through cheque / RTGS / NEFT
Exit Fees	2% on withdrawal amount if redeemed before 1 year
Audit Fees#	₹ 500 p.a.*

\*Exclusive of GST of 18%; #can change time to time

**Rest Assured**





**THANK  
YOU!**

**Disclaimer:**

This report is prepared by NJ Advisory Services Pvt. Ltd. on a confidential basis. The information and contents shall not be disclosed, reproduced or used, in whole or in part, for any unauthorized purposes or furnished to any other persons without the express prior written permission of NJ Advisory Services Pvt. Ltd. No representation or warranty, expressed or implied, is made nor is any responsibility of any kind accepted with respect to the completeness or accuracy of any information or content. NJ Advisory Services Pvt. Ltd., its group companies and their directors, employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent mis-statement) for any statements, opinions, information or matters (expressed or implied) arising out of, contained in or derived from, or for any omissions from the report.

**Rest Assured**



**PORTFOLIO  
MANAGEMENT  
SERVICES**