



## NS 5TX5T THEMATIC ADVISORY PORTFOLIO

### OBJECTIVE

This portfolio provides a unique theme-based investing opportunity in the Indian market. As India approaches towards becoming a 5 trillion economy by GDP, the total Market Cap of Indian companies will also set to increase by 11-12% CAGR. Some of the market cap gains will come from new listings but a large part of the gains will come from select themes. This strategy focuses on themes that should form part of India's next growth engine.

### STRATEGY

The portfolio will consist of 15-20 stocks to provide superior returns. 2-6 stocks from each of the chosen 4-6 Selected Themes. Maximum Weight on any stock will be 10% while maintaining sector diversity

### PROCESS - Fundamental Bottom Up Research

Information Mining-> Financial Modeling-> Investment Thesis-> Active & Rigorous tracking for changes in Earnings & Quality outlook.

### KEY FEATURES OF NS 5TX5T THEMATIC ADVISORY PORTFOLIO

#### Investment in NS 5TX5T Thematic Advisory Portfolio

This fund would invest in sub-sets of 4-6 Themes out of multiple themes underlying the economic buoyancy. Stocks would be from all the three namely- large, mid & small cap segments of the market.

#### No Cap Risk:

The Investment advisory portfolio will consists of stocks from all three cap: large, mid & small.

#### Benchmarking:

The model portfolio will be benchmarked against the Nifty 500

#### The portfolio:

The portfolio consist of 15-20 stocks to provide superior risk adjusted returns..

#### Growth in Value Framework

Companies that have improving/higher return ratio are favored.

#### Bottom Up Analysis:

A rigorous bottom up research of business financials & management strategies is carried out for all portfolio companies.

### Benchmark - Nifty 500 Index



**Minimum Investment Amt.**  
5,00,000



**No. of Stocks**  
15-20 Stocks



**Time Horizon**  
3 Years



**Expected CAGR**  
18%



**Top-up /Withdrawal Amt.**  
1,00,000



**Fee Plan**  
2.5% p.a. of your Investment Value + GST



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## STOCK SELECTION PROCEDURE INVOLVING 3 BROAD PROCESSES

- 1 MQC**

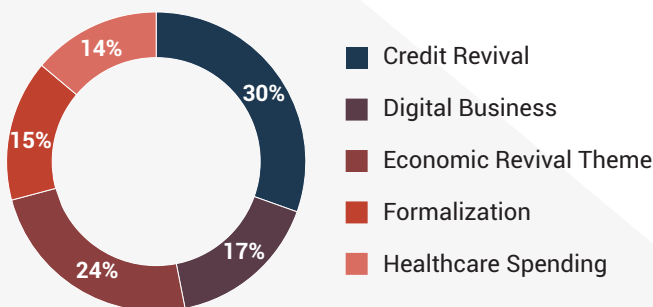
  - M - Momentum In Return Ratios The RoE, RoCE or the Free Cash flows of company must be increasing
  - Q - Quality Return ratios versus its peer as well as broader stock universe.
  - C - Capital Allocation Management strategy on Allocation of funds
  
- 2 360 Degree Deductive Logic Framework**

  - Sustainable Valuation possible & factors impacting while identifying when market is under- pricing the company
  - Outlook on the company Financials-why a company is considered trading below its intrinsic value
  - Building a detailed business & financial model to realize the sources of earning & quality delta for the company.
  - Management strategy in terms of its finances particularly in terms of source & deployment of capital, marketing strategy in terms of its products, segments, pricing etc.
  - State of addressable market & identifying the changing dynamics of that addressable market.
  
- 3 Earnings & Quality: Both should be evolving in linear manner**

There are three moving parts in terms of fundamental- stock price relation. These are changes in earnings, quality and valuation. Every company in its evolution passes through various stage of its progress. We prefer buying where linearity or a consistent positive delta is expected in earnings profile and the quality profile of the company. A stock before selection for portfolio should be first identified into what stage it is into.

### Portfolio Composition

#### Selected Themes for NS 5TX5T



### Portfolio Holdings

COMPANY	%	COMPANY	%
SBIN	12%	CONCOR	5%
ICICIBANK	12%	ACE	5%
TCS	9%	ISEC	5%
DMART	8%	SUPRAJIT	4%
SBILIFE	7%	CUMMINSIND	4%
BRITANNIA	7%	PRAJIND	3%
HDFCBANK	6%	LT	3%
NH	6%	NAZARA	3%



## NS 5TX5T THEMATIC ADVISORY PORTFOLIO

### Return Profile vis a vis Benchmark (CAGR)

Years	NS 5TX5T	Nifty 500
1 Year	-3.9	3.0
3 Years	18.8	16.1
5 Years	14.4	10.2
Since Inception (1st April 2013)	21.4	13.6

### Performance Attributes

	Portfolio	Benchmark
Alpha	7.8	
Beta	1.0	
R - Square	81.6	
Sharpe	1.1	0.8
Standard Deviation	19.7	17.6
Max Drawdown	-37.9	-38.3
Annual tracking Error	8.4	
Information Ratio	0.9	

### NS 5T X 5T Return Profile vis a vis Nifty 500 (Rolling Returns\*)

Year	Current	Average	Best	Worst
3 Month	2.34 / 4.18	5.46 / 3.66	35.33 / 33.32	-32.51 / -36.72
6 Month	14.61 / 15.4	11.52 / 7.51	51.55 / 49.18	-30.08 / -34.19
1 Year	-3.89 / 3.02	25.21 / 15.87	100.25 / 98.9	-20.98 / -34.28
2 Year	15.67 / 15.81	23.32 / 14.07	57.04 / 53.42	-7.33 / -15.78
3 Year	18.78 / 16.1	20.99 / 11.93	42.99 / 22.57	-1.01 / -7.57
4 Year	18.97 / 13.93	20.16 / 11.7	36.07 / 20.39	6.63 / -0.71
5 Year	14.43 / 10.24	19.56 / 11.61	32.11 / 19.73	6.01 / -2.19

Please Note: Data as on 31st December, 2022. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns. The above portfolio allocation will be assessed every month to ascertain sector and scrip reshuffling. Kindly contact your RM for the latest allocation.

\* Rolling return is the average annualized return on a particular date. Rolling return is used to eliminate the bias present in point-to-point return. As financial markets are volatile, rolling returns provide a clearer picture of performance than the point-to-point return.