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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.

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

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.
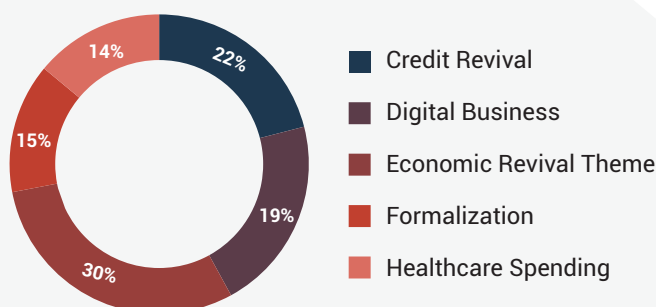
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STOCK SELECTION PROCEDURE INVOLVING 3 BROAD PROCESSES

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

- 22% Credit Revival
- 19% Digital Business
- 30% Economic Revival Theme
- 15% Formalization
- 14% Healthcare Spending

Portfolio Holdings

COMPANY	%	COMPANY	%
ICICIBANK	11%	NH	6%
SBIN	11%	CONCOR	5%
TCS	9%	ISEC	5%
DMART	8%	SUPRAJIT	4%
SBILIFE	8%	VRLLOG	4%
BRITANNIA	7%	ACE	4%
CUMMINSIND	7%	NAZARA	3%
PRAJIND	6%	INTELLECT	2%

NS 5TX5T THEMATIC ADVISORY PORTFOLIO

Return Profile vis a vis Benchmark (CAGR)

Years	NS 5TX5T	Nifty 500
1 Year	1.8	7.3
3 Years	23.8	17.5
5 Years	16.4	10.8
Since Inception *(1st April 2013)*	21.9	13.6

Performance Attributes

	Portfolio	Benchmark
Alpha	8.3	
Beta	1.0	
R - Square	81.8	
Sharpe	1.1	0.8
Standard Deviation	20.0	17.7
Max Drawdown	-37.9	-38.3
Annual tracking Error	8.5	
Information Ratio	1.0	

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

Year	Current	Average	Best	Worst
3 Month	0.9 / -0.8	5.4 / 3.5	35.3 / 33.3	-32.5 / -36.7
6 Month	-8.6 / -1.7	11.8 / 7.5	51.6 / 49.2	-30.1 / -34.2
1 Year	1.8 / 7.3	26.6 / 16.5	100.3 / 98.9	-21.0 / -34.3
2 Year	29.2 / 27.4	23.3 / 13.5	57.0 / 53.4	-7.3 / -15.8
3 Year	23.8 / 17.5	21.0 / 11.5	43.0 / 22.6	-1.0 / -7.6
4 Year	16.7 / 11.0	20.2 / 11.5	36.1 / 20.4	6.6 / -0.7
5 Year	16.4 / 10.8	19.9 / 11.6	32.1 / 19.7	6.0 / -2.2

Please Note: Data as on 31st July, 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.*