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NS INDUSTRY LEADERS THEME

OBJECTIVE
Long term capital appreciation by investing in companies that are the top-3 players of their respective industries.

STRATEGY
NS Industry Leaders Theme identifies companies that are leaders of their respective industry and are showing growth in value characteristics with expected higher return ratio

PROCESS - Fundamental Bottom Up Research
Information mining, financial modeling, investment thesis, active & rigorous tracking for changes in earnings & quality outlook.

Benchmark - Nifty 100 Index

Minimum Investment Amt.
3,00,000

No. of Stocks
12-18 Stocks

Time Horizon
3 Years

Expected CAGR
14%

Top-up /Withdrawal Amt.
50,000

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

WHY NS INDUSTRY LEADERS THEME?
Companies with a proven track record of industry outperformance, effective leadership and efficient management usually find themselves as the NS Industry Leaders. In an uncertain economic environment these are the best companies to buy as these companies are run by proven management and leadership team than can navigate difficult times.

KEY FEATURES OF NS INDUSTRY LEADERS THEME

Investment in the leaders industries
Investment in the industry leader ensures good governance and continuous innovation in the management

Cap Risk:
The Investment advisory portfolio will have exposure to leaders of the segment which comprise of mostly large cap stocks

Benchmarking:
The Investment advisory portfolio will be benchmarked against the Nifty 100

The portfolio:
The portfolio will consist of 12-18 stocks to provide superior 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 and 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

- Consumers
- Financials
- Industrial
- Global
- Cyclicals

15% | 38% | 31% | 13% | 3%
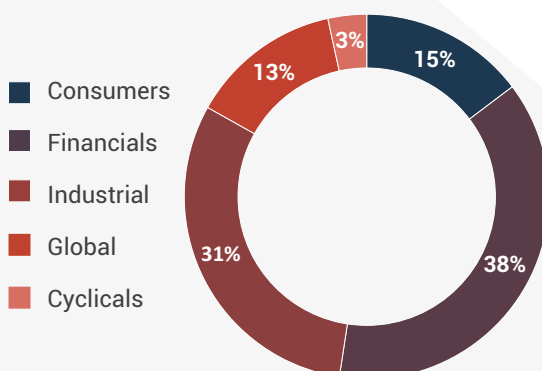
Portfolio Holdings

COMPANY	%	COMPANY	%
ICICIBANK	12%	M&M	5%
BHARTIARTL	9%	DMART	5%
LT	8%	MCDOWELL-N	5%
SBIN	8%	DRREDDY	4%
TCS	7%	ASTRAL	3%
RELIANCE	7%	ISEC	3%
HDFCBANK	7%	BAJFINANCE	3%
AXISBANK	6%	CYIENT	2%
CUMMINSIND	5%		

NS INDUSTRY LEADERS THEME

Return Profile vis a vis Benchmark (CAGR)

Years	NS Industry Leaders	Nifty 100
1 Year	2.7	9.5
3 Years	18.7	15.8
5 Years	11.7	12.2
Since Inception (1st Oct 2009)	19.2	10.7

Performance Attributes

	Portfolio	Benchmark
Alpha	8.5	
Beta	1.0	
R - Square	74.1	
Sharpe	1.0	0.6
Standard Deviation	19.9	17.2
Max Drawdown	-37.2	-38.1
Annual tracking Error	10.1	
Information Ratio	0.8	

NS Industry Leaders Return Profile vis a vis Nifty 100 (Rolling Returns*)

Year	Current	Average	Best	Worst
3 Month	5.35 / 4.46	4.82 / 2.88	39.96 / 32.88	-32.79 / -37.3
6 Month	13.07 / 12.83	9.61 / 5.68	60.47 / 47.26	-30.24 / -34.28
1 Year	2.7 / 9.55	20.45 / 11.84	100.05 / 93.7	-30.25 / -33.53
2 Year	22.8 / 20.27	20.36 / 11.5	62.3 / 50.34	-14.49 / -13.67
3 Year	18.73 / 15.8	20.43 / 10.95	47.41 / 23	-6.04 / -6.33
4 Year	16.01 / 14.28	20.89 / 10.98	41.78 / 18.07	4.48 / -0.28
5 Year	11.73 / 12.18	21.46 / 11.23	36.69 / 18.32	4.43 / -2.02

Please Note: Data as on 30th November, 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.