



## 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

Growth-in-Value Framework & Fundamental Bottom-Up Analysis. Companies with improving /higher returns ratio are favored. A rigorous bottom up research of business financials and management strategies for companies in our investment universe - Information mining, financial modeling, investment thesis, active 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



**Cap Exposure**  
Large, Mid & Small Cap Stocks



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

### STOCK SELECTION PROCEDURE INVOLVING 3 BROAD PROCESSES

#### MQC

1

- 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

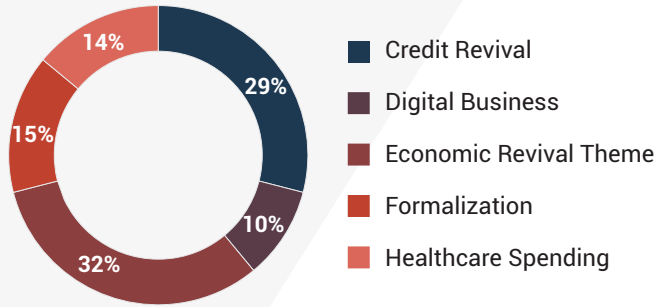
There are three moving parts in terms of fundamental- stock price relation. These are changes in earnings, quality and valuation. Every company in its evolution passes through various stage of its progress. We prefer buying where linearity or a consistent positive delta is expected in earnings profile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



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### Portfolio Composition

#### Selected Themes for NS 5TX5T



### Portfolio Holdings

COMPANY	%	COMPANY	%
ICICIBANK	12%	ACE	6%
SBIN	11%	CUMMINSIND	4%
TCS	10%	ISEC	4%
BRITANNIA	8%	CONCOR	4%
SBILIFE	7%	SUPRAJIT	4%
DMART	7%	PRAJIND	4%
HDFCBANK	7%	LT	3%
NH	7%	NAZARA	3%

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

Years	NS 5TX5T	Nifty 500
1 Year	-0.6	1.5
3 Years	16.6	16.3
5 Years	14.0	9.4
Since Inception (1st April 2013)	20.5	12.6

### Performance Attributes

	Portfolio	Benchmark
Alpha	7.9	
Beta	1.0	
R - Square	81.7	
Sharpe	1.0	0.7
Standard Deviation	19.6	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	-6.41 / -8.95	5.33 / 3.57	35.33 / 33.32	-32.51 / -36.72
6 Month	-2.58 / -5.26	11.38 / 7.44	51.55 / 49.18	-30.08 / -34.19
1 Year	-0.59 / 1.47	24.64 / 15.58	100.25 / 98.9	-20.98 / -34.28
2 Year	9.84 / 9.17	23.08 / 14.02	57.04 / 53.42	-7.33 / -15.78
3 Year	16.56 / 16.27	20.89 / 12.01	42.99 / 22.57	-1.01 / -7.57
4 Year	19.59 / 12.84	20.14 / 11.76	36.07 / 20.39	6.63 / -0.71
5 Year	14.04 / 9.41	19.4 / 11.55	32.11 / 19.73	6.01 / -2.19

Please Note: Data as on 28th February, 2023. 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.