



## **EQUITY** **PMS STRATEGY**

May 2021

$$\frac{-b \pm \sqrt{b^2 - 4ac}}{2a}$$
$$2x + 4dx = 3x^3 + x^2 + 4x + C \Big|_0^{102}$$
$$e^{2x} = e^{2(\cos y + 3 \sin y)}$$

$$U(\tau, \omega)$$
$$\beta(\tau, \omega)$$
$$\Lambda(\tau, \omega)$$

# ABOUT NARNOLIA PMS

Narnolia Equity PMS is meant to be a core buy and hold portfolio for investors who aim to capitalize on the wealth creation opportunity in the Indian economy through equity investing.

Narnolia Equity PMS provides the opportunity to participate in 4 different Equity Strategies - all through a single account, helping the investor to prudently allocate investment amounts in these strategies depending on their unique risk profile. With this the investor gets the freedom to choose their preferred basket of stocks. These equity-strategies are uniquely modelled around various cap and fundamental characteristics of growth and quality. The portfolio comprises of flexible and judicious mix of large, mid and small cap companies to have the right kind of stability to sail through tough times as well as has the right force to outperform in the long term.

Narnolia follows the 'growth in value' investment philosophy and has demonstrated a successful track record. Quality always prevails. Along with quality, in a growing economy like India where on every production or consumption parameter upside is humongous. Majority of existing market leaders remain minuscule in the global context. Indian markets over the last thirty years since the great economic reform has oscillated between phases of out-performance by quality companies and phases of out-performance by growing businesses. 'Growth in Value' combines the advantages of these two fundamental parameters and helps create superior performance.

The disciplined approach to investing is supported by our 360 degree 5-M research framework, one of the most comprehensive fundamental research technique. It links market opportunity, management strategies, financial and operating moat to detailed financial models and the valuation envelope .

For replicating its success over the long term, the strategy employs elaborate research and investment processes along with explicitly defined risk parameters.

## Why Narnolia PMS?

Multiple  
Strategies

Stable returns across  
Market Cycle

Growth in Value  
Philosophy and 5-M  
Research

Strong Risk  
Management

## 4 Pillars

1

### Principle Of Growth In Value

Among various proven philosophies of investing, our chosen style is 'Growth in Value'. Here the word value is derived from the word valuable i.e. factors that make a company more valuable

2

### 360° Deductive Reasoning Framework

Insist on knowing why and how a company makes its revenue both from a broad picture basis-understanding the addressable market and dynamics as well as the microscopic financials- valuation level perspective

3

### Seeking Linear Consistent Growth

Prefer companies where improvement happens linearly in small steps over a relatively longer period of time as these companies' valuation multiple expands alongwith earnings and then does not contract in a hurry

4

### Risk Manager's Mindset

Portfolio has a pre-determined risk return expectation framework which enables taking active risk keeping in mind economic exposures, liquidity risk and stock- sector – cap- theme weightages.

# NARNOLIA EQUITY PMS STRATEGY

## Large-Cap Strategy

**Large-Cap** Strategy / Industry Leaders comprises of companies those are leaders in their respective industries in which they operate. 80% weightage in this sub-scheme is to companies those are a part of the Nifty Large cap 100 Index. This index constituents have a high correlation (0.94) with Nifty 50 Index. The targeted aggregate fundamentals of the sub-strategy are: Growth - higher than nominal GDP growth ideally above 12%, ROE 20% or more and high margin of safety in terms of current valuation inside the last ten years valuation envelope.

## Mid and Small Cap Strategy

**Mid and Small** Cap Strategy as the name suggests comprises of companies that are mostly part of the Nifty Mid-small Cap 400 Index. In the market cyclical when expansion phase occurs these Mid & Small Cap provide higher return. The sub strategy combines of high quality moat companies with high growth companies. The targeted aggregate fundamentals of the sub-strategy are: Growth - ideally above 18%, ROE 20% or more and high margin of safety in terms of current valuation inside the last ten years valuation envelope.

## Multi-Cap Strategy

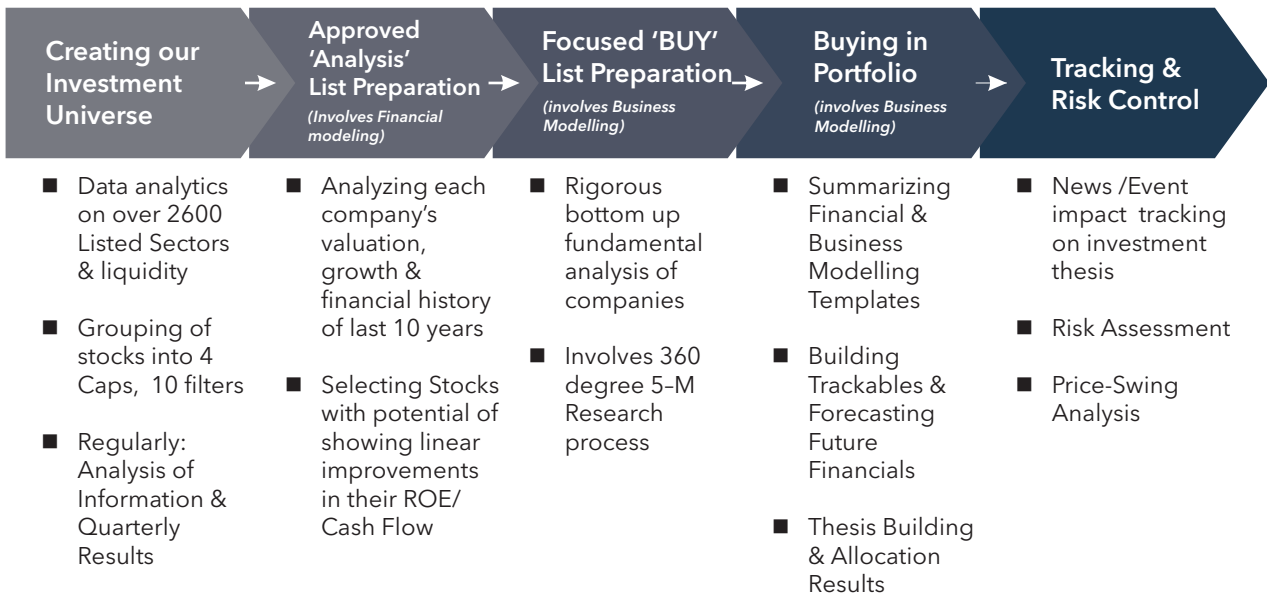
**Multi-Cap** investing provides opportunity to take optimum investment exposure across market capitalization of Indian listed companies along with diversified industries' representation inside the investment basket. 80% weightage in this sub-scheme is to companies those are part of Nifty 500 Index. The targeted aggregate fundamentals of the sub-strategy are: Growth - ideally above 15%, ROE 20% or more and sufficient margin of safety in terms of current valuation inside the last ten years valuation envelope.

## New India Strategy

**New India** Strategy comprises of companies that are capitalizing on the theme of 'Value Migration' by investing in companies whose business models are more aligned to the newer ways of production / consumption. This sub-scheme has multi-cap characteristics.

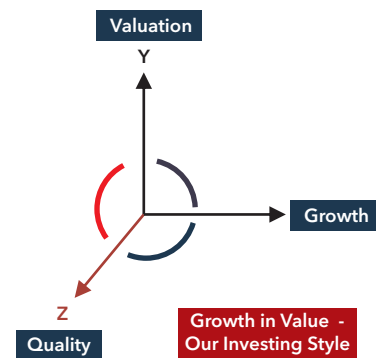
The targeted aggregate fundamentals of the sub-strategy are: Growth - 1.5\* higher than nominal GDP growth ideally above 18%, ROE 15% or more and sufficient margin of safety in terms of current valuation inside the last ten years valuation envelope.

# INVESTMENT PROCESS



## GROWTH IN VALUE & PRINCIPLE OF LINEARITY

We practice 'Growth in Value' investment framework. Here the word 'value' comes from 'being valuable' or 'Quality'. A company that is exhibiting or is expected to exhibit 'growth in value' becomes our investment candidate. This usually happens when due to business situation or management strategy or the inherent moat of the business, a company starts having higher and/or rising RoE, RoCE and the Free Cash flows. This is also accompanied by the company exhibiting higher return ratio than it's peers as well as broader stock universe.

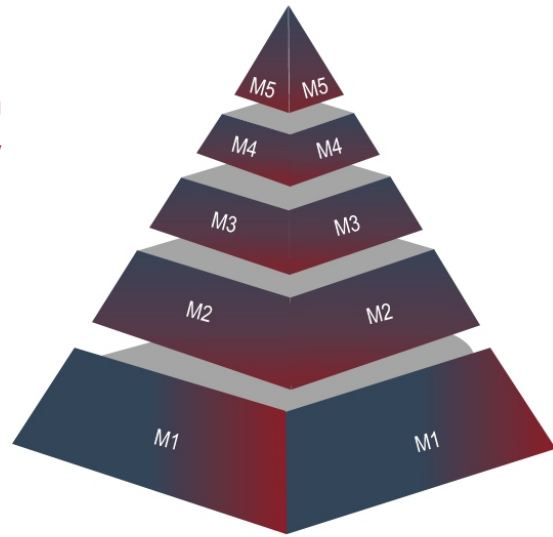


Company with good capital allocation and favorable business regime show rising margins and asset turnover yielding into higher return ratios. These businesses usually undergo valuation re-rating resulting into long term superior wealth creation in the stock market.



# 5-M RESEARCH PROCESS

**5 Sub-Processes that seamlessly connects the big picture market opportunity, management strategies, operational and financial moat with financial model of the company and the valuation multiple**



## M1 - Market

Every business whether on the product side or services has an addressable market. And each addressable market is being served by various peer companies. Understanding that Addressable Market & its changing dynamics is key to deciphering the quality, scalability and sustainability of the business. Ex.- A good quality, technologically superior private sector bank's business in large part is about the value migration opportunity from PSU banks. The quality of the depositors as well as borrowers that are value migrating to a bank is key to sustainable out-performance of that private bank.

## M2 - Management Strategy

Long term business success is all about the strength of the management. Market cycles change and it's the quality of the management that ensures outperformance across the cycle. Decoding Management requires a clearer understanding of its Strategy of product positioning, pricing, supply chain, HR, sources and application of funds etc.. Ex.-. While continuing with deepening its distribution reach, during the Covid-19 related lockdown, a FMCG company with smart SKU management and packaging strategy delivered 30% y-o-y growth way ahead of its peers.

## M3 - Moat of the Business

Any company with sustainable high quality has specific operating and/or financial moat. Identifying the source of that moat is key to identifying sustainable competitive advantage. Ex.- an Indian tyre company has highest EBITDA margin in the world, an Indian retailer has lowest payable days and highest inventory turn delivering most competitive price to consumers, An Indian auto OEM moat of rising market share and realization hit a roadblock when it's technological constraint hit it's earlier strategy of filling the price whitespaces.

## M4 - Model Financials

Modeling the Financial Numbers - Annual & quarterly Profit statement, Balance Sheet, Cash flow statement, account schedules, revenue & cost drivers not only help in understanding how much price one can pay for future earnings but it also acts as an early indicator when investment thesis is not working. Companies where one is not able to model financials with reasonable degree of confidence are beyond the analyst's circle of competence and need to be avoided.

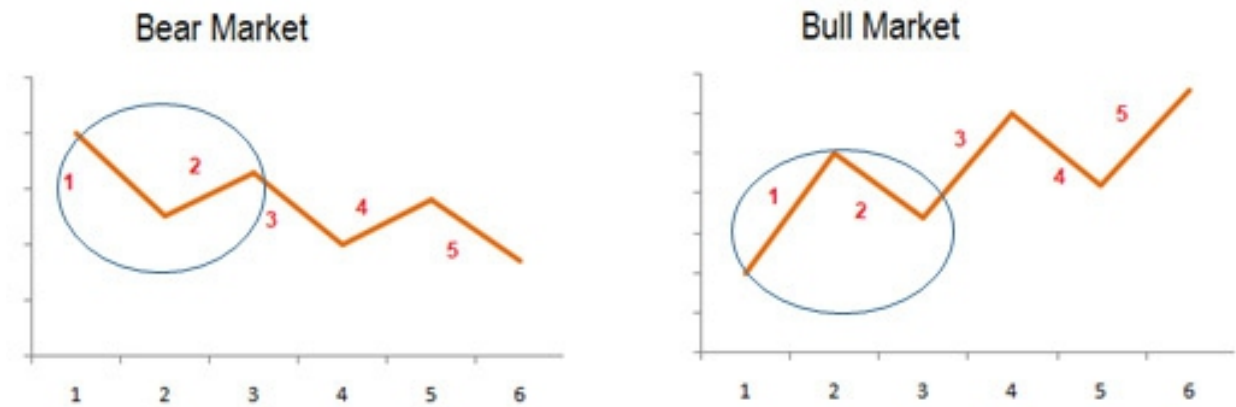
## M5 - Multiples-

Valuation Ascertaining the Valuation Envelope for a company is both a science and an art. It requires identifying the right valuation multiple to work with, Company's own immediate as well as long period valuation range and also of it's peer as well other comparable businesses. A prior knowledge of the location of the current valuation multiple inside the valuation envelope ensures sufficient margin of safety as well as upside potential.

# RISK

## MANAGEMENT FRAMEWORK

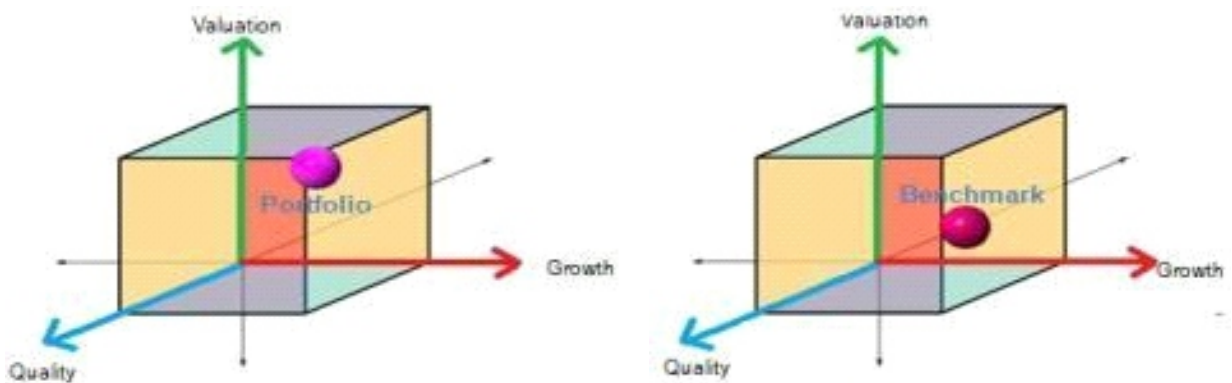
1. **Stock Limit:** Limits on Maximum weightage on single stock
2. **Sector Limit:** Limits on Maximum weightage on single sector
3. **Stock Review:** Under-performance with higher volatility on 2 consecutive market swings. If any of our portfolio stocks under performs for two consecutive swings and exhibits higher volatility, that stock gets marked for Sell/Review



#### 4. Fundamental Quadrant - QGV

With rapid changes in the economy and the business landscape, the attributes of the portfolio keeps changing in relation to that of the benchmark. Tracking these changes pro-actively keeps the fundamental hygiene of the portfolio intact.

Attribute	Quadrant 1	Quadrant 2	Quadrant 3	Quadrant 4
Quality	Low	Average	Good	Very Good
Growth	Poor	Average	Good	Very Good
Valuation	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile



# STRATEGIES AT A GLANCE

	Large Cap	Mid & Small Cap	Multi-Cap	New India
<b>Fundamental Attributes</b>				
<b>Growth</b>	16%+	21%+	17%+	21%+
<b>Return on Equity</b>	24%+	19%+	20%+	24%+
<b>Valuation</b>	High Margin of Safety 24.70%	High Margin of Safety 34.40%	Reasonable Margin of Safety 28.90%	Reasonable Margin of Safety 31.40%
<b>Portfolio Characteristics</b>				
<b>Diversification</b>	Mid	Low	High	Low
<b>Number of Stocks</b>	19 (15-25)	24 (20-30)	21 (20-30)	19 (15-25)
<b>% Assets in top 10 holdings</b>	70%	53%	65%	65%
<b>Returns Characteristics</b>				
<b>1/3/ 5 year Return (%) - Narnolia Strategies</b>	60.8/ 13.3/ 15.5	93.1 / 22.4/ 23.7	64.4/ 14.9/ 17.5	55.7/ 13.7/ 18.4
<b>Benchmark Return (%)</b>	61.9/ 12.6/ 13.9	101.9/ 11.7/ 15.9	69.1/ 12.4/ 14.2	69.1/ 12.4/ 14.2
<b>Risk (Std. Dev)(%)</b>	18.1	19.8	17.8	17.9

Please note: The returns mentioned above are CAGR returns and are as on 31st May 2021

<b>Event Based Performance</b>				
Returns/Benchmark	Large Cap	Mid & Small Cap	Multi Cap	New India
<b>Aug.2013 - Jan.2018</b>	28.4 % / 17 %	26.6 % / 20.2 %	31.3 % / 19.3 %	22.2 % / 13.4 %
<b>Feb 2018 - May 2021</b>	11.0% / 10.3%	20.9% / 7.9 %	13.9% / 9.8%	13.5% / 9.8%
<b>1st January 2020 - 23rd March 2020</b>	-30.4 % / -37.1 %	-24.0%/ - 35.4 %	-30.5 % / - 36.8 %	-29.8% / - 36.8 %
<b>23rd March 2020 - 31st May 2021</b>	92.2% / 104.7%	133.8 / 143.0%	112.5% / 111.9 %	94.7% / 111.9%
<b>1st January 2020 - 31st May 2021</b>	33.8% / 28.8%	77.8% / 57.0 %	47.7% / 34.0%	36.7% / 34.0%

\*Returns Greater than 1 year are CAGR returns rest are Absolute returns

# INDUSTRY LEADING PERFORMANCE ACROSS CYCLES - PARTICULARLY DURING BAD TIMES

Calendar Year wise Performance								
Calendar Year	Large Cap	Nifty 100	Mid & Small Cap	Nifty Mid & Small Cap 400	Multi Cap	Nifty 500	New India	Nifty 500
2012	18.2	14.9			20.7	14.9		
2013	5.4	6.5			9.3	3.6		
2014	56.7	33.2			62.4	37.8		
2015	5.9	-2.4	25.7	5.8	15.2	-0.7	10.3	-2.2
2016	5.4	3.6	10.1	3.8	4.7	3.8	10.5	3.8
2017	42.3	31.0	42.0	55.3	37.2	35.9	41.6	35.9
2018	-1.2	1.1	-9.6	-18.0	-2.5	-3.4	0.3	-3.4
2019	8.3	10.4	13.4	-2.9	9.1	7.7	11.9	7.7
2020	21.6	14.9	46.3	24.6	30.6	16.7	23.7	16.7
2021	10.1	12.1	21.5	26.0	13.1	14.8	10.5	14.8

Financial Year wise Performance								
Financial Year	Large Cap	Nifty 100	Mid & Small Cap	Nifty Mid & Small Cap 400	Multi Cap	Nifty 500	New India	Nifty 500
2012-13	1.6	7.3	NA	-	4.4	5.1	NA	-
2013-14	20.9	18.3	NA	-	25.5	17.7	NA	-
2014-15	61.6	29.1	NA	-	67.4	33.6	NA	-
2015-16	-2.4	-8.1	17.7	-3.4	2.0	-7.5	4.8	-6.1
2016-17	26.1	20.9	34.7	37.2	27.7	23.9	33.7	23.9
2017-18	15.2	10.7	18.2	14.5	17.7	11.5	19.4	11.5
2018-19	6.0	12.5	0.6	-5.4	4.6	8.4	8.2	8.4
2019-20	-18.3	-25.9	-12.1	-34.3	-19.4	-27.6	-16.0	-27.6
2020-21	64.3	69.6	96.0	105.1	80.4	76.0	66.3	76.0
2021-22	7.4	6.7	10.4	10.2	5.5	7.4	4.6	7.4

\*\*Inception date for Large cap and Multi cap is 28th March 2012 and for New India and Mid & Small cap is 4th May 2015, so returns are calculated accordingly and for calendar year 2021 returns are YTD, as on 31st May 2021, not full year, for Financial year 2021-22 returns are YTD, as on 31st May 2021, not full year

Outperformance				
	Large Cap	Mid & Small Cap	Multi Cap	New India
Calendar Year Outperformance	6 out of 10	5 out of 7	9 out of 10	6 out of 7
Financial Year Outperformance	7 out of 10	5 out of 7	7 out of 10	4 out of 7

Please note: More than one year are CAGR returns



# RETURNS ATTRIBUTION FOR LAST 3 YEARS

LARGE CAP								
Top 10 Contributors	Ending WT	Total Return	Contribution to Alpha		Top 10 Detractors	Ending WT	Total Return	Contribution to Alpha
INFY	0.0	96.5	471		TCS	11.6	-1.0	-733
BAJFINANCE	6.5	109.0	459		HINDALCO	0.0	-18.6	-572
APOLLOHOSP	4.6	233.4	378		MARUTI	0.0	-32.0	-561
ICICIBANK	7.6	97.3	299		MCDOWELL-N	3.4	-4.5	-460
ASIANPAINT	6.4	100.2	294		AMARAJABAT	3.2	-17.2	-329
GUJGASLTD	0.0	121.9	278		ITC	0.0	-27.3	-279
DRREDDY	5.1	96.3	197		M&M	0.0	-25.9	-275
TITAN	2.8	77.6	161		NESTLEIND	5.1	5.5	-256
BHARTIARTL	2.9	62.4	68		HDFC	0.0	14.6	-221
ISEC	3.1	40.9	-6		WHIRLPOOL	2.6	-10.3	-218

MID & SMALL CAP								
Top 10 Contributors	Ending WT	Total Return	Contribution to Alpha		Top 10 Detractors	Ending WT	Total Return	Contribution to Alpha
DIXON	4.7	392.5	1177		WHIRLPOOL	4.8	-7.3	-431
TATAELXSI	6.4	149.3	701		AMARAJABAT	3.0	-17.9	-370
INDIAMART	0.0	169.4	677		GODREJCP	0.0	-12.0	-333
BALKRISIND	5.0	150.3	392		BRITANNIA	0.0	13.1	-326
LALPATHLAB	0.0	153.8	279		CHOLAFIN	0.0	0.3	-312
RATNAMANI	3.0	87.3	261		CREDITACC	0.0	-44.6	-241
CAMS	4.1	87.1	184		SUNTV	5.0	9.7	-238
APLLTD	4.9	65.5	138		RAMCOSYS	2.7	-6.1	-231
ZYDUSWELL	5.9	58.4	128		IDFCFIRSTB	3.0	0.9	-202
KAJARIACER	0.0	94.5	122		BLUESTARCO	0.0	5.6	-200

MULTI CAP								
Top 10 Contributors	Ending WT	Total Return	Contribution to Alpha		Top 10 Detractors	Ending WT	Total Return	Contribution to Alpha
TATAELXSI	4.1	144.0	599		BRITANNIA	5.0	4.4	-580
INFY	10.4	100.4	519		INDUSINDBK	0.0	-26.1	-546
INDIAMART	0.0	199.4	415		CYIENT	0.0	-46.7	-421
RELIANCE	10.0	78.1	358		AMARAJABAT	3.3	-16.7	-340
DIXON	4.8	116.9	348		MCDOWELL-N	3.9	1.4	-302
HCLTECH	5.9	105.2	270		CENTURYPLY	0.0	-39.4	-294
ICICIBANK	7.0	87.7	251		WHIRLPOOL	3.3	-9.9	-285
GUJGASLTD	0.0	156.2	241		QUESS	0.0	-42.3	-246
DRREDDY	4.4	64.9	113		ICICIPRULI	0.0	-20.2	-225
VMART	3.3	64.1	66		GODREJCP	0.0	1.2	-220

NEW INDIA								
Top 10 Contributors	Ending WT	Total Return	Contribution to Alpha		Top 10 Detractors	Ending WT	Total Return	Contribution to Alpha
INDIAMART	0.0	193.7	543		CHOLAFIN	0.0	-25.0	-462
DIXON	6.7	115.3	334		BRITANNIA	2.9	9.5	-452
ICICIBANK	9.7	76.1	273		INDUSINDBK	0.0	-26.1	-408
BAJFINANCE	3.9	120.8	262		KNRCON	4.0	1.7	-365
RELIANCE	7.7	78.7	230		GODREJCP	0.0	-4.5	-311
MINDAIND	5.4	87.9	193		TECHM	4.1	4.6	-287
HCLTECH	5.8	62.5	108		VMART	3.9	0.1	-239
CDSL	0.0	70.5	100		MCDOWELL-N	4.2	3.6	-226
TRENT	0.0	97.0	96		DRREDDY	4.1	5.5	-208
TITAN	0.0	62.7	86		HINDALCO	0.0	-22.4	-206

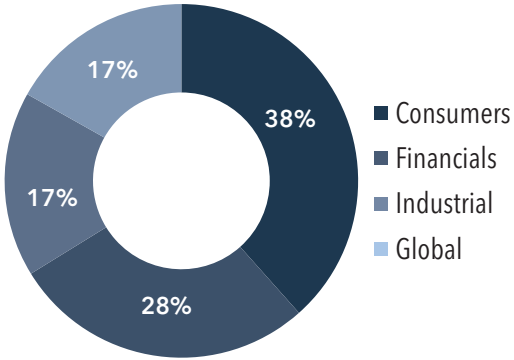
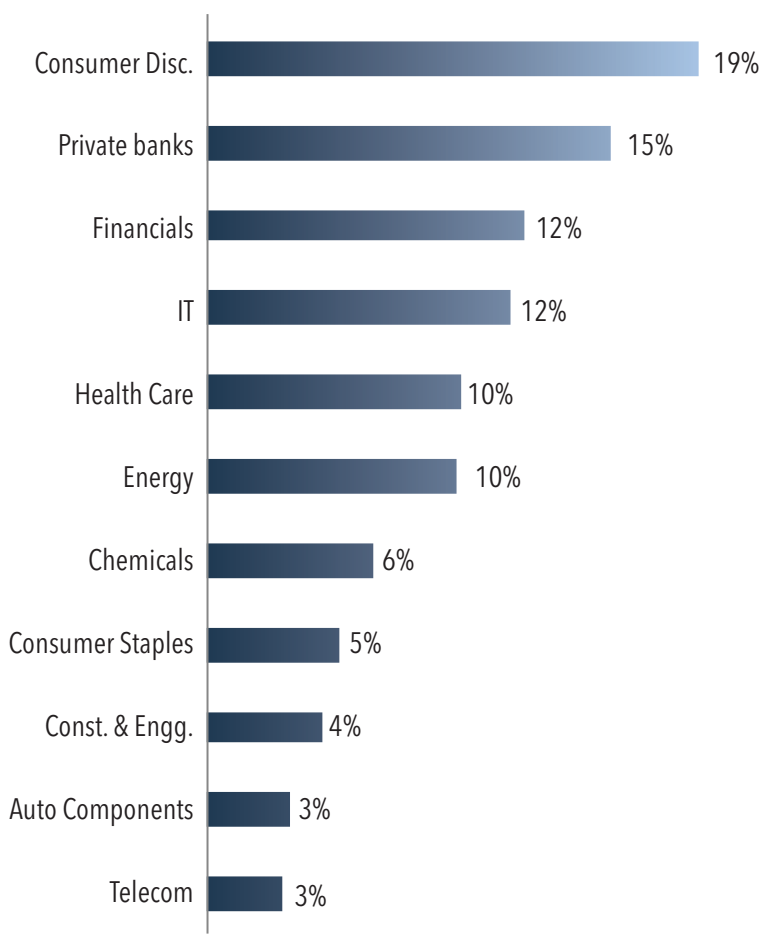
# LARGE CAP STRATEGY

Large cap strategy comprises of companies those are leaders in the respective industry in which they operate. 80% weightage in this scheme is to companies those are part of Nifty Large cap 100 Index. This index constituents have high correlation (0.94) with Nifty 50 Index.

**Stock Strategy:** The sub-strategy consists of 15-25 stocks to provide superior returns.  
Maximum Weight on any stock will be +7% of its weight in the in Nifty 100 Index

**Sector Strategy:** +/- 10% of its weight in Nifty 100 Index

Top 10 Companies Holdings%		
STOCK	SECTOR	WEIGHT
TCS	Global	12%
RELIANCE	Industrial	10%
HDFCBANK	Financials	8%
ICICIBANK	Financials	8%
BAJFINANCE	Financials	6%
ASIANPAINT	Consumers	6%
DMART	Consumers	6%
NESTLEIND	Consumers	5%
DRREDDY	Global	5%
APOLLOHOSP	Consumers	5%



# LARGE CAP STRATEGY

Fundamental Attributes	
Growth #	16.20%
Return On Equity @	24.00%
Valuation ^	24.70%

Portfolio Attributes	
No of Stocks	19
% Assets in top 10 holdings	70%
% Assets in Next 5 holdings	18%

Price Performance Vs Benchmark (May)		
	Large cap Portfolio	Nifty 100
1 month	6.4	6.8
3 months	8.0	7.7
6 months	20.7	20.8
1 year	60.8	61.9
2 Years	17.9	14.6
3 Years	13.3	12.6
4 Years	13.1	12.4
5 Years	15.5	13.9
7 years	16.7	11.9
Since Inception (28 march 2012)	17.6	13.1

Performance Attributes		
	Portfolio	Benchmark
Alpha	4.5	
Beta	0.97	
R - Square	82.8	
Sharpe	1.0	0.8
Standard Deviation	18.1	16.9
Max Drawdown	-35.3	-38.1
Price/Earnings Ratio	39.2	
Annual tracking Error	7.5	
Information Ratio	0.6	

Please note: 1mth/3mth/6mth/1yr - ABSOLUTE returns & the rest - CAGR returns



Rs.1 crore invested in Large cap Strategy at inception is worth Rs. 4.4Cr. as on 31st May 2021. For the same period Rs.1 Cr. invested in Nifty 100 Index is now worth Rs.3.1 Cr.

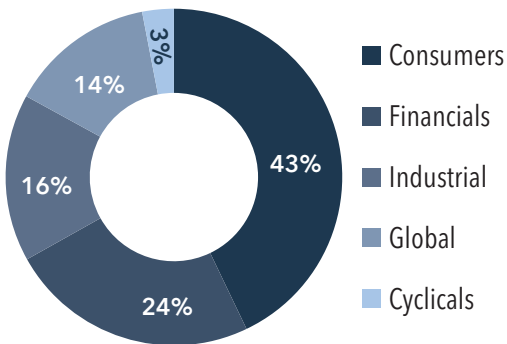
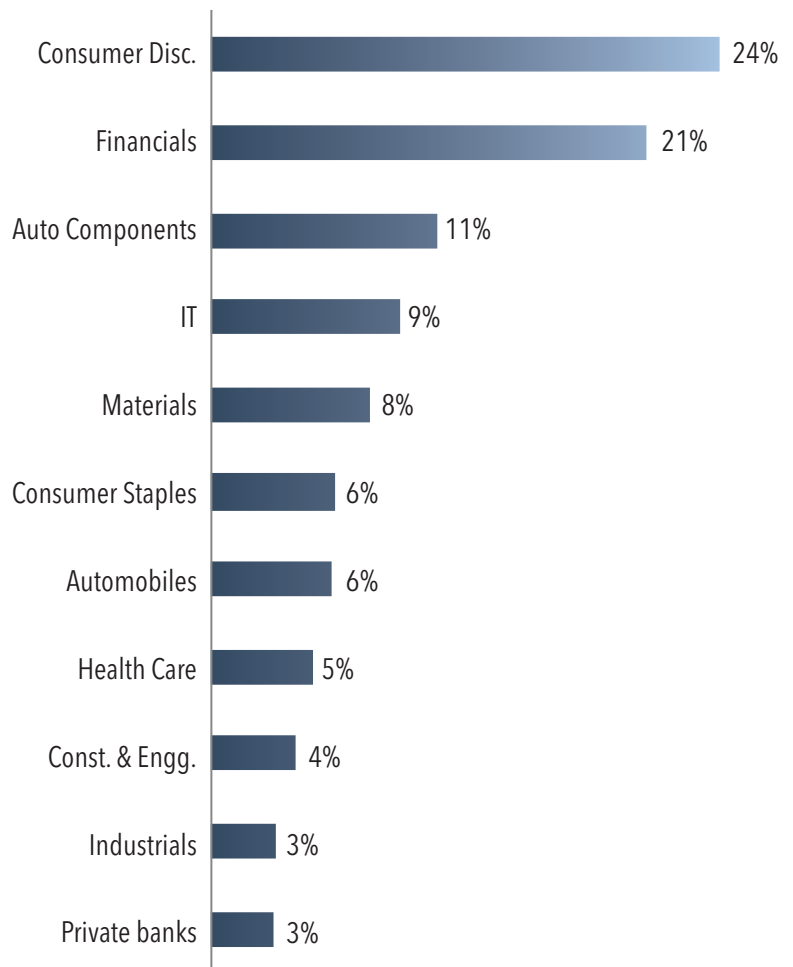
# MID & SMALL CAP STRATEGY

Mid and Small Cap Strategy as the name suggests comprises of companies that are mostly part of the Nifty Mid-small-cap 400 Index. In the market cycle when the expansion phase occurs these Mid & Small Cap provide higher returns. The strategy combines high quality moat companies with high growth companies.

**Stock Strategy:** The sub-strategy consists of 20-30 stocks to provide superior returns.  
 Maximum Weight on any stock will be +10% of its weight in the in Nifty Mid-Small 400 Index

**Sector Strategy:** +/- 15% of its weight in Nifty Mid-Small 400 Index.

Top 10 Companies Holdings%		
STOCK	Sector	WEIGHT
TATAELXSI	Global	6%
ZYDUSWELL	Consumers	6%
ESCORTS	Consumers	6%
VMART	Consumers	6%
SUNTV	Consumers	5%
BALKRISIND	Consumers	5%
APLLTD	Global	5%
WHIRLPOOL	Consumers	5%
CANFINHOME	Financials	5%
DIXON	Consumers	5%



# MID & SMALL CAP STRATEGY

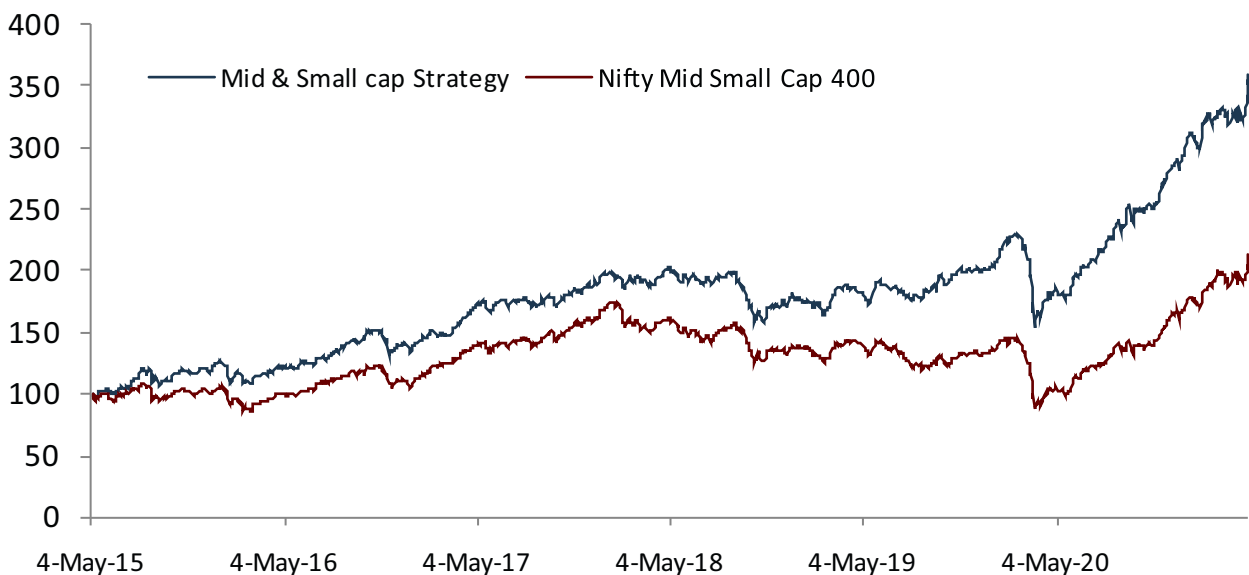
Fundamental Attributes	
Growth	21.80%
Return on Equity	19.70%
Valuation with percentage	34.40%

Portfolio Attributes	
No of Stocks	24
% Assets in top 10 holdings	53%
% Assets in Next 5 holdings	21%

Price Performance Vs Benchmark (May)		
	Mid & Small Cap Portfolio	Nifty Mid & Small 400
1 month	6.4	7.5
3 months	11.7	11.9
6 months	28.5	34.0
1 year	93.1	101.9
2 Years	37.1	22.3
3 Years	22.4	11.7
4 Years	20.7	11.6
5 Years	23.7	15.9
Since Inception (4th May 2015)	23.4	13.3

Performance Attributes		
	Portfolio	Benchmark
Alpha	10.1	
Beta	0.80	
R - Square	85.9	
Sharpe	1.2	0.6
Standard Deviation	19.8	22.9
Max Drawdown	-33.3	-50.0
Price/Earnings Ratio	24.5	
Annual tracking Error	8.7	
Information Ratio	1.2	

Please note: 1mth/3mth/6mth/1yr - ABSOLUTE returns & the rest - CAGR returns



Rs.1 crore invested in Mid & Small cap Strategy at inception is worth Rs.3.9 Cr. as on 31st May 2021. For the same period Rs.1 Cr. invested in Nifty Mid & Small 400 Index is now worth Rs.2.1 Cr.

# MULTI CAP

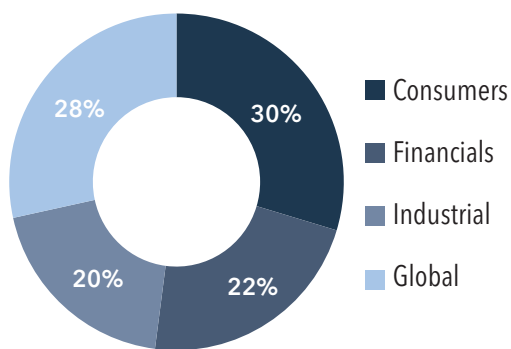
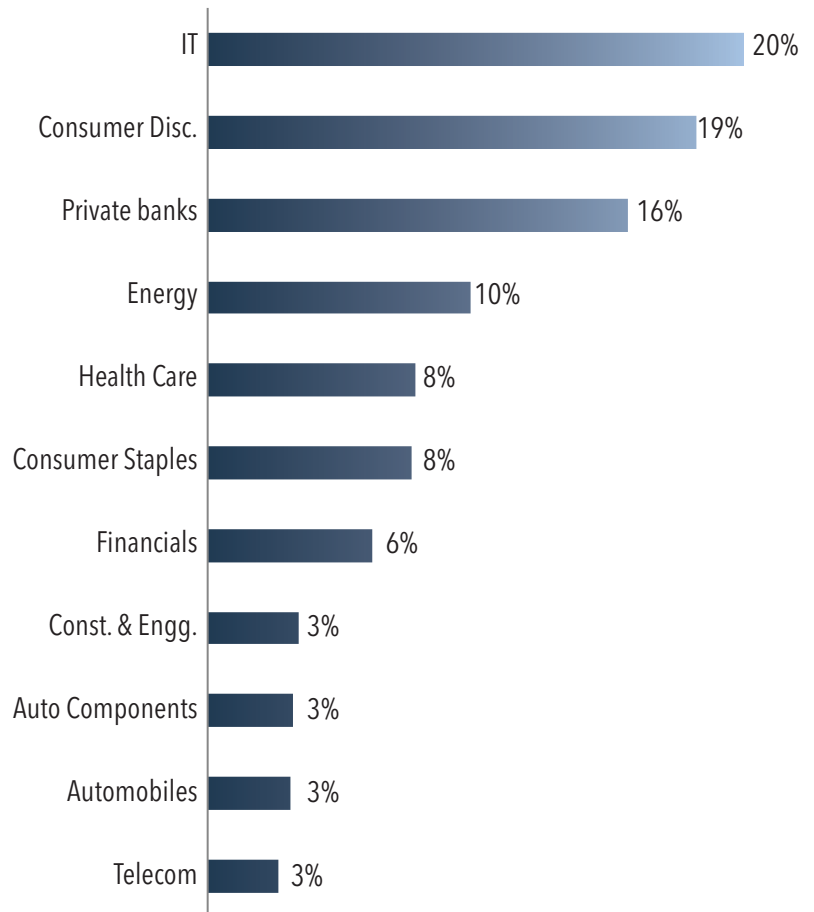
## GROWTH-IN-VALUE STRATEGY

Multi cap investing provides the opportunity to take an optimum investment exposure across various market capitalization of Indian listed companies along with diversified industries' representation inside the investment basket. 80% weightage in this strategy is to companies those that are a part of the Nifty 500 Index.

**Stock Strategy:** The sub-strategy consists of 20-30 stocks to provide superior returns.  
Maximum Weight on any stock will be +10% of its weight in the in Nifty 500 Index

**Sector Strategy:** +/- 10% of its weight in Nifty 500 Index.

Top 10 Companies Holdings%		
STOCK	SECTOR	WEIGHT
INFY	Global	10%
RELIANCE	Industrial	10%
HDFCBANK	Financials	9%
ICICIBANK	Financials	7%
HCLTECH	Global	6%
BRITANNIA	Consumers	5%
DIXON	Consumers	5%
DRREDDY	Global	4%
TATAELXSI	Global	4%
MCDOWELL-N	Consumers	4%



# MULTI CAP

## GROWTH-IN-VALUE STRATEGY

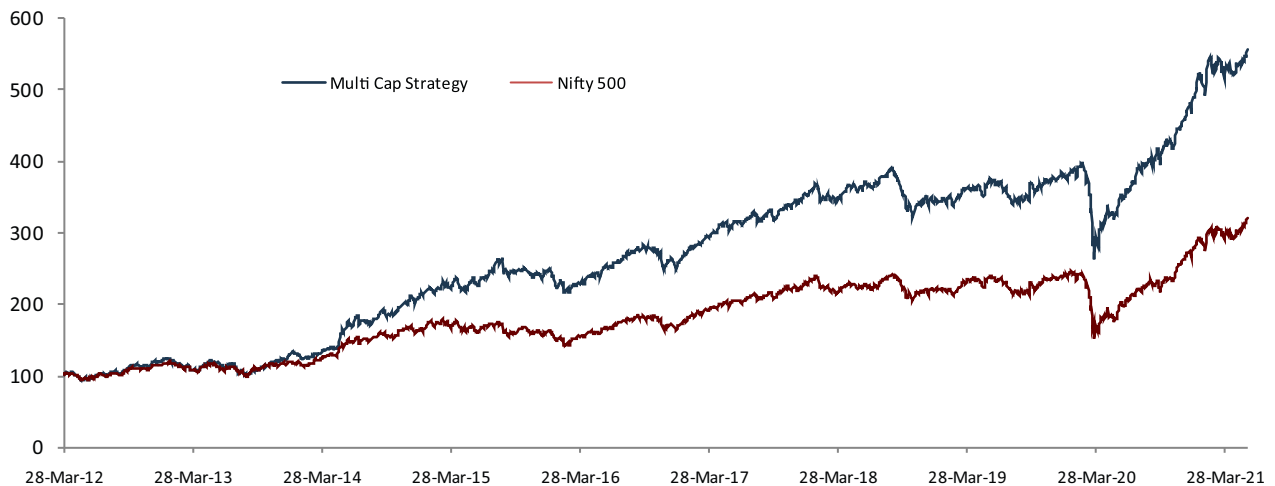
Fundamental Attributes	
Growth	17.50%
Return on Equity	20.30%
Valuation with percentage	28.90%

Portfolio Attributes	
No of Stocks	21
% Assets in top 10 holdings	65%
% Assets in Next 5 holdings	17%

Price Performance Vs Benchmark (May)		
	Multi Cap Portfolio	Nifty 500
1 month	4.6	7.0
3 months	6.3	8.6
6 months	22.5	23.4
1 year	64.4	69.1
2 Years	22.3	16.1
3 Years	14.9	12.4
4 Years	15.9	12.2
5 Years	17.5	14.2
7 years	19.3	12.5
Since Inception (28 March 2012)	20.6	13.5

Performance Attributes		
	Portfolio	Benchmark
Alpha	7.1	
Beta	0.93	
R - Square	83.8	
Sharpe	1.2	0.8
Standard Deviation	17.8	17.5
Max Drawdown	-34.3	-38.3
Price/Earnings Ratio	29.6	
Annual tracking Error	7.3	
Information Ratio	1.0	

Please note: 1mth/3mth/6mth/1yr - ABSOLUTE returns & the rest - CAGR returns



Rs. 1 crore invested in Multi Cap Strategy at inception is worth Rs. 5.6 Cr. as on 31st May 2021. For the same period Rs. 1 Cr. invested in Nifty 500 Index is now worth Rs. 3.2 Cr.

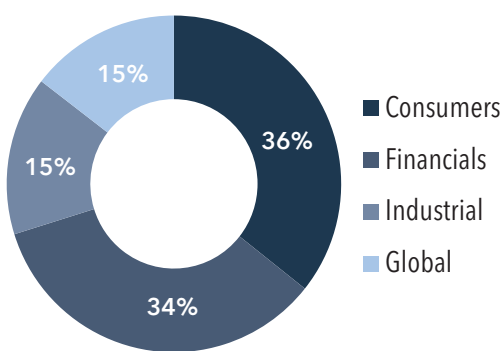
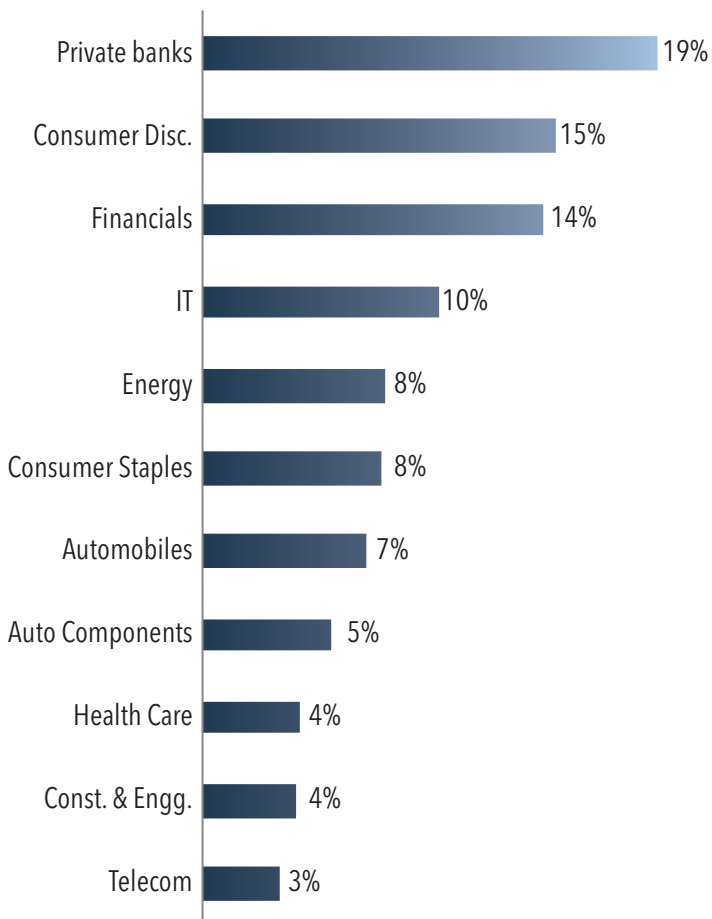
# NEW INDIA GROWTH STRATEGY

New India Strategy comprises of companies that are capitalizing on the theme of Value migration by investing in companies whose business model is more aligned to newer ways of production/consumption. This strategy has multi-cap characteristics in line with Nifty 500 benchmark

**Stock Strategy:** The sub-strategy consists of 15-25 stocks to provide superior returns. Maximum Weight on any stock will be +7% of its weight in the in Nifty 500 Index

**Sector Strategy:** +/- 15% of its weight in Nifty 500 Index

Top 10 Companies Holdings%		
STOCK	SECTOR	WEIGHT
ICICIBANK	Financials	10%
HDFCBANK	Financials	9%
RELIANCE	Industrial	8%
ESCORTS	Consumers	7%
DIXON	Consumers	7%
HCLTECH	Global	6%
MINDAIND	Consumers	5%
NESTLEIND	Consumers	5%
ISEC	Financials	4%
MCDOWELL-N	Consumers	4%





# NEW INDIA GROWTH STRATEGY

Fundamental Attributes	
Growth	21.50%
Return on Equity	24.40%
Valuation with percentage	31.40%

Portfolio Attributes	
No of Stocks	19
% Assets in top 10 holdings	65%
% Assets in Next 5 holdings	20%

Price Performance Vs Benchmark (May)		
	New India Portfolio	Nifty 500
1 month	5.3	7.0
3 months	4.2	8.6
6 months	16.9	23.4
1 year	55.7	69.1
2 Years	19.2	16.1
3 Years	13.7	12.4
4 Years	16.1	12.2
5 Years	18.4	14.2
Since Inception (4th May 2015)	17.4	11.4

Performance Attributes		
	Portfolio	Benchmark
Alpha	6.0	
Beta	0.90	
R - Square	86.7	
Sharpe	1.0	0.6
Standard Deviation	17.9	18.4
Max Drawdown	-36.4	-38.3
Price/Earnings Ratio	29.9	
Annual tracking Error	6.7	
Information Ratio	0.9	

Please note: 1mth/3mth/6mth/1yr - ABSOLUTE returns & the rest - CAGR returns



Rs.1 crore invested in New India Strategy at inception is worth Rs.2.6 Cr. as on 31st May 2021. For the same period Rs.1 Cr. invested in Nifty 500 Index is now worth Rs.1.9Cr.

# KEY INVESTMENT PEOPLE

## Shailendra Kumar

Co Founder & Chief Investment Officer

Shailendra Kumar is currently the Chief Investment Officer at Narnolia. He has experience of successfully managing PMS and cat III AIF. Under Shailendra's leadership Narnolia has received numerous awards including 'Most Consistent Portfolio Manager' and is considered premium investment advisory firm. Shailendra co-founded Narnolia Securities in 1997. He is known for his deep understanding of Investment theories, Stock-selection and Portfolio allocation. He has successfully developed and implemented all four major investing and trading strategies namely, value, growth, reversion and momentum. His preferred investing style is 'growth in value'.

Shailendra has a strong academic orientation having authored as well as mentored numerous financial publications. He has done extensive work on corporate valuation and derivative pricing. He has written as well as guided several finance research papers. Shailendra holds a post-graduate degree in Management & Systems from Indian Institute of Technology, Delhi.

## Vineeta Sharma

Head of Research

Vineeta Sharma is the Head of Research at Narnolia. Vineeta has been in Equity research and investment industry for more than 13 Years. Over the years she has evolved her distinct style of growth stock investing which includes a proprietary process of fundamental analysis based on detailed financial modeling and bottom-up analysis of the company's financial and operating environment. She leads a team of 32 research Analysts covering 192 stocks across 18 industries. Under her leadership, the team has recommended 30 multi-baggers in last 30 quarters. She is known in the industry for her stock-selection and recommendation and for her grip over the accounting principles and Financial Statements. She is a qualified Chartered Accountant and holds Bachelor of Commerce (Hons.) degree from Delhi University, India.

## We Are Recognised

When Industry Leaders validate and endorse superiority of our products and services, it speaks about the consistent performance of our brand



Most Consistent Portfolio Manager of the Country 2018 & 2019 by BSE Tefla's



India's Most Promising Brand 2017 by WCRC



Inspirational Leader 2018 by WCRC, in London

### Investment Terms

Minimum Investment: 50,00,000 INR | Management Fee: Fixed (Option 1) & Variable Fee Structure available (Option 2)  
Fixed (Option 1): Annualized 2.5% Debited Monthly | Variable (Option 2): : 1.25% Fixed + 12.5% (Above hurdle of 10% with Catch-Up) (No sharing above 27% Annualized Returns) | Exit Load: Within 1 Year - 1% of AUM on Redemption Date, 1 Year & Above: NIL; Brokerage - At Actual;

Other Charges: Statutory/Other Charges as applicable (STT/Demat/Goods & Services/Custodial Charges etc.)  
Portfolio Manager: Narnolia Financial Advisors Ltd. | SEBI Registration No.: INP000006420

Custodian: Orbis Financial Corporations Ltd | Fund Accounting: Orbis Financial Corporations Ltd  
Auditor: A Singhi & Co. | Depository Participant: Narnolia Financial Advisors Ltd. | Banking Partner: Indusind Bank  
Portfolio Manager: Narnolia Financial Advisors Ltd. | SEBI Registration No.: INP000006420

For any queries related to PMS please send us an email at [pmscare@narnolia.com](mailto:pmscare@narnolia.com)

# Narnolia<sup>®</sup>

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