

# A RULE-BASED ACTIVE PORTFOLIO MANAGER



**OCTOBER 2022**



## ONE OF **INDIA'S LARGEST** MUTUAL FUND DISTRIBUTORS

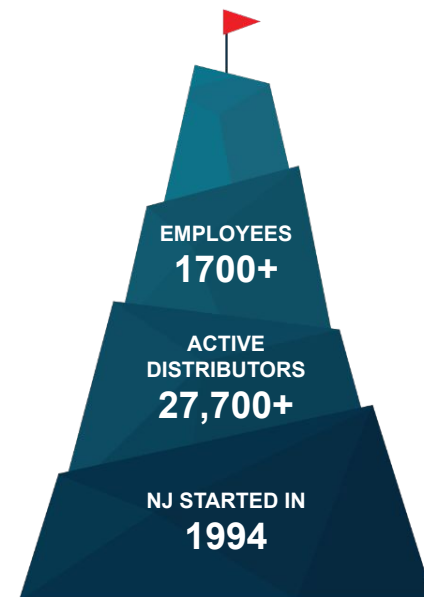
### A BUSINESS BUILT ON TRUST

Our mission is to transform the lives of people across India by ensuring their financial well-being. With a humble beginning in 1994, we are privileged today to impact the lives of countless families. A reputed name in the financial services industry, NJ Group today is expanding its horizons into diverse businesses.

We are driven with the passion for transforming lives, and we value trust above everything.

We are **BUILT ON TRUST.**

**INR 1,34,562+**  
**CRORES AUM\***



\*Asset managed by various AMCs, mobilised by NJ

As on October 2022



## FINANCIAL PRODUCTS DISTRIBUTION PLATFORM



MUTUAL FUNDS



EQUITY & ETF



BONDS & FD



NPS



LOAN AGAINST MF



INSURANCE  
BROKING



NBFC



OFFSHORE



ASSET  
MANAGEMENT



EDUCATION



WELLNESS



INTERIOR



REAL ESTATE



CHARITABLE  
TRUST



NJ Group's PMS business commenced in the year 2010. The total Assets Under Management (AUM) currently are **INR 3,590+ crores** (As on October 31st, 2022) with approximately **4,200+** investors.

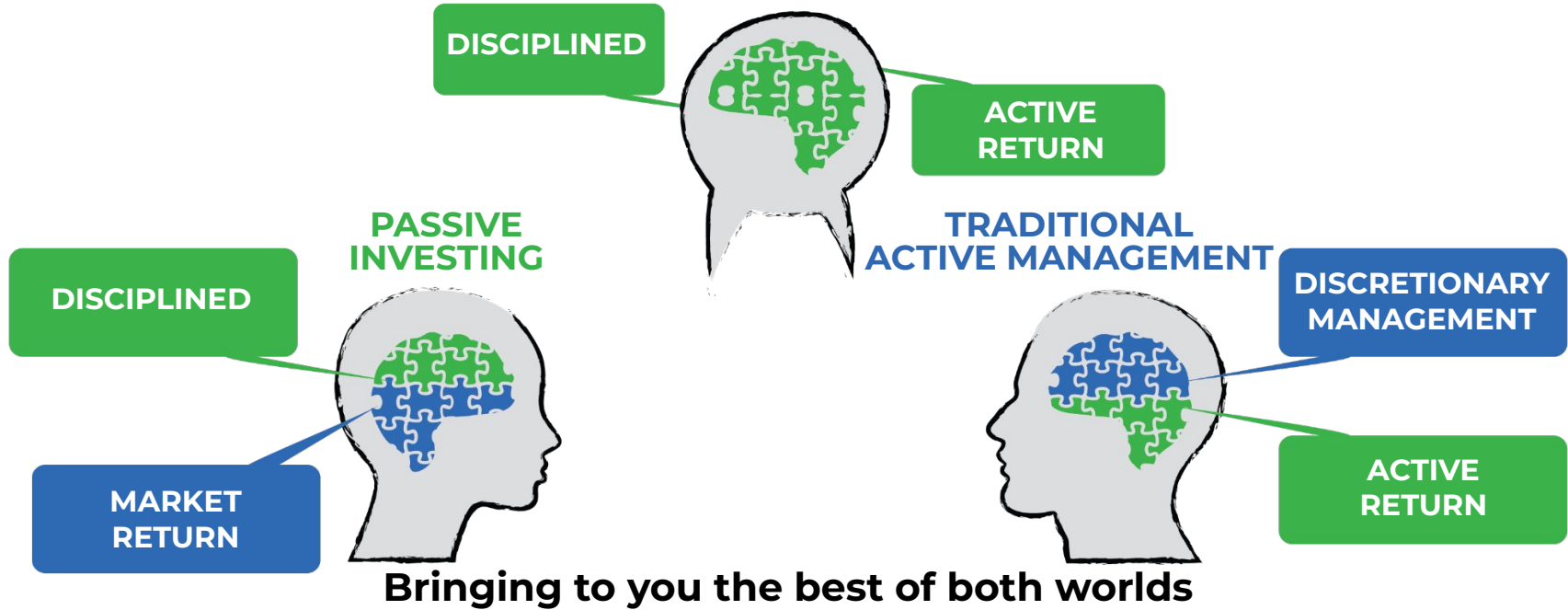


NJ PMS offers to investors an array of products across Equities, Mutual Funds, ETFs, and more through investment approaches under Dynamic Asset Allocation Portfolios (DAA) and Equity based portfolios.



NJ PMS follows the '**Rule-Based Active Investing**' strategy from the root of its Portfolio Management proposition

## RULE-BASED ACTIVE MANAGEMENT



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# UNDERSTANDING RULE-BASED ACTIVE INVESTING

Select time tested attributes



Determine criteria to identify these attributes



Specify measures and limits



**Define rules**



Test and validate rules for efficiency

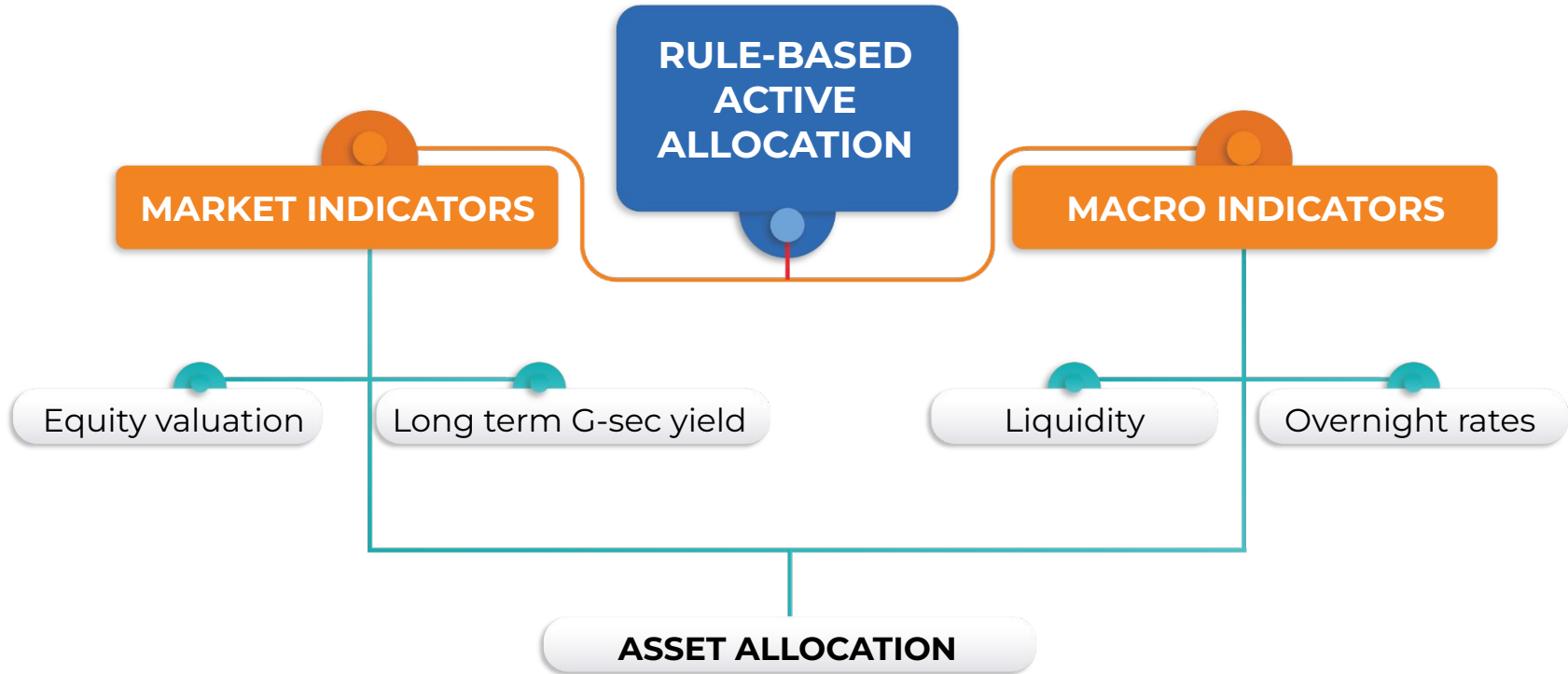


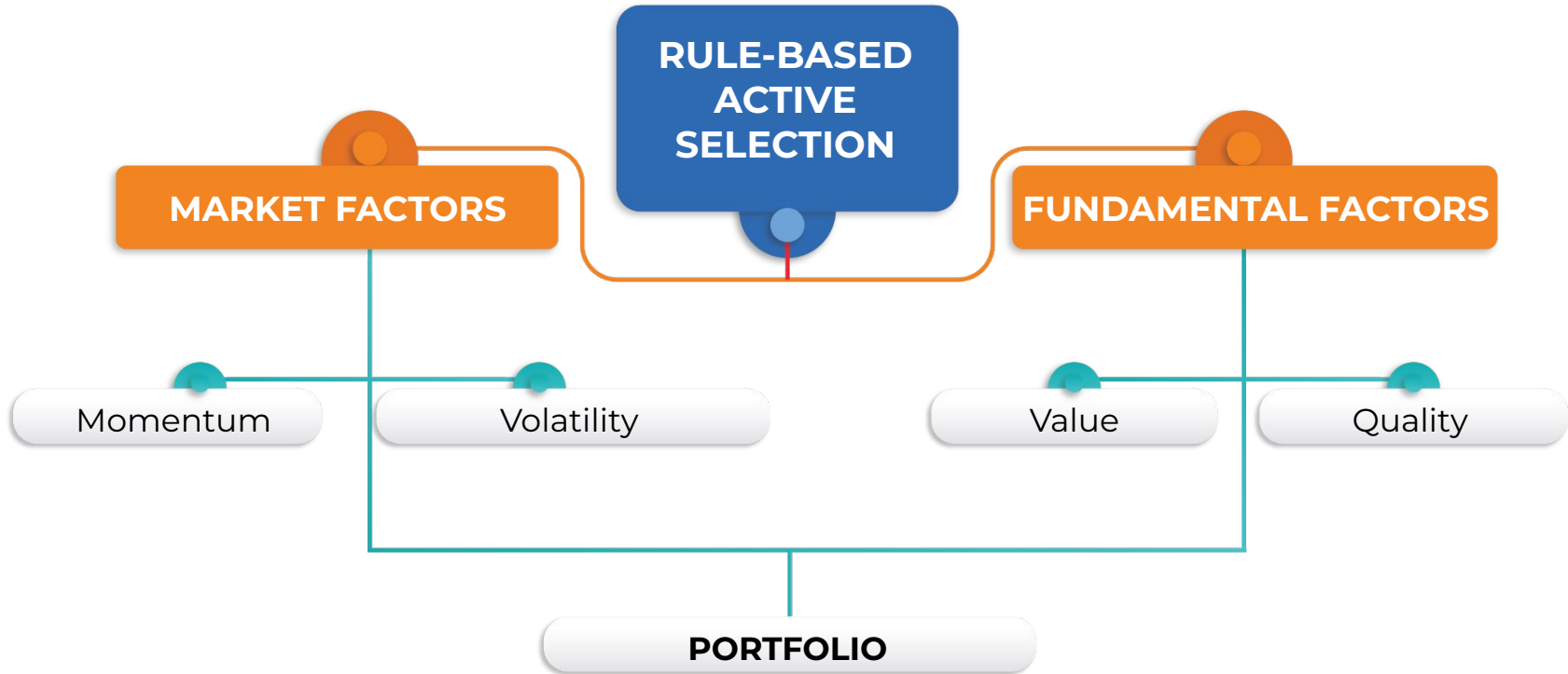
Combine complementary rules to form a protocol




Use the protocol to allocate assets, select stocks and assign weights









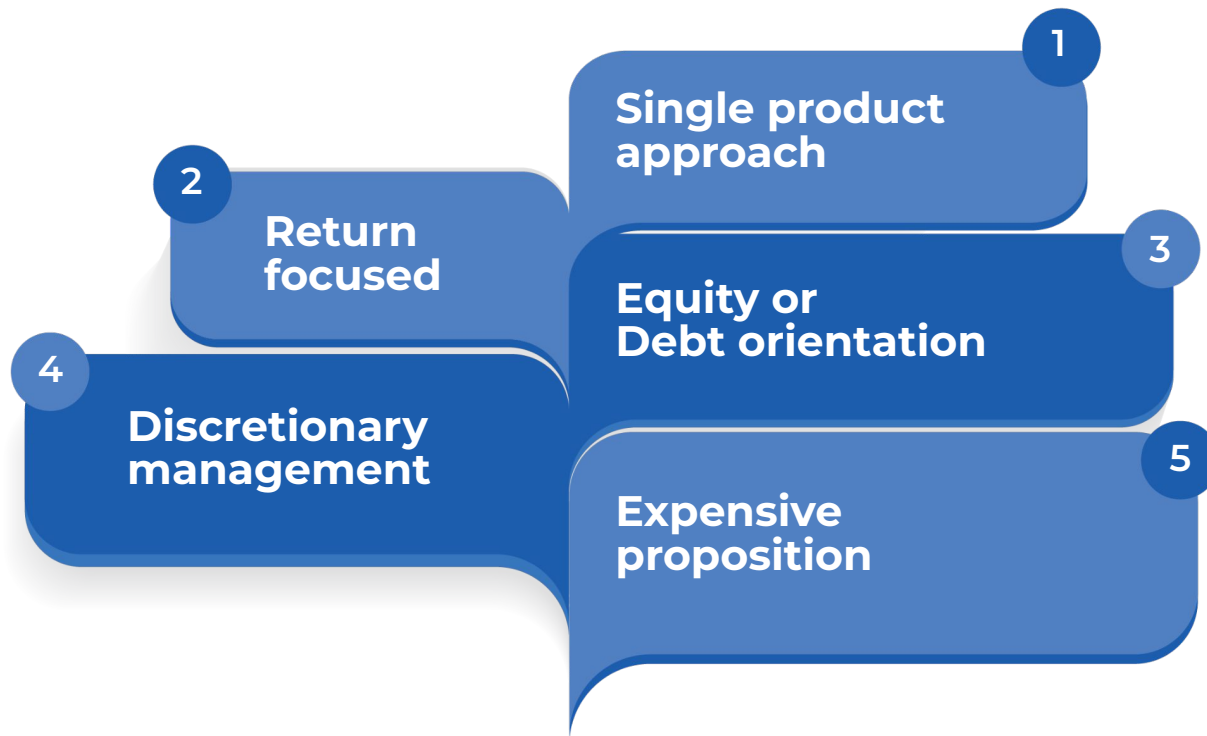


Selection of securities is on a predefined set of rules, eliminating human bias

The investment process is pre-tested for performance and volatility in various scenarios

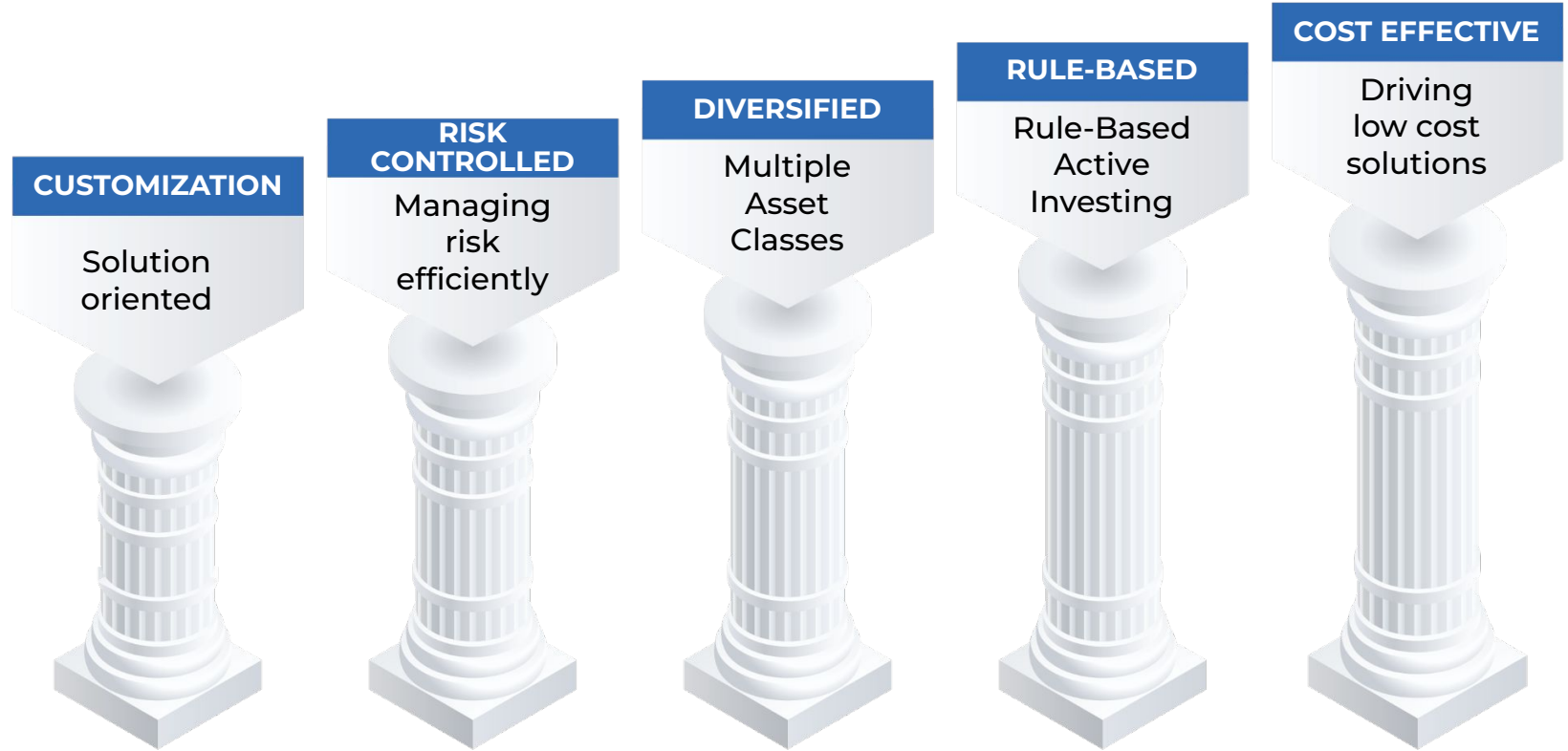
The Portfolio stays "True to Label" at all times



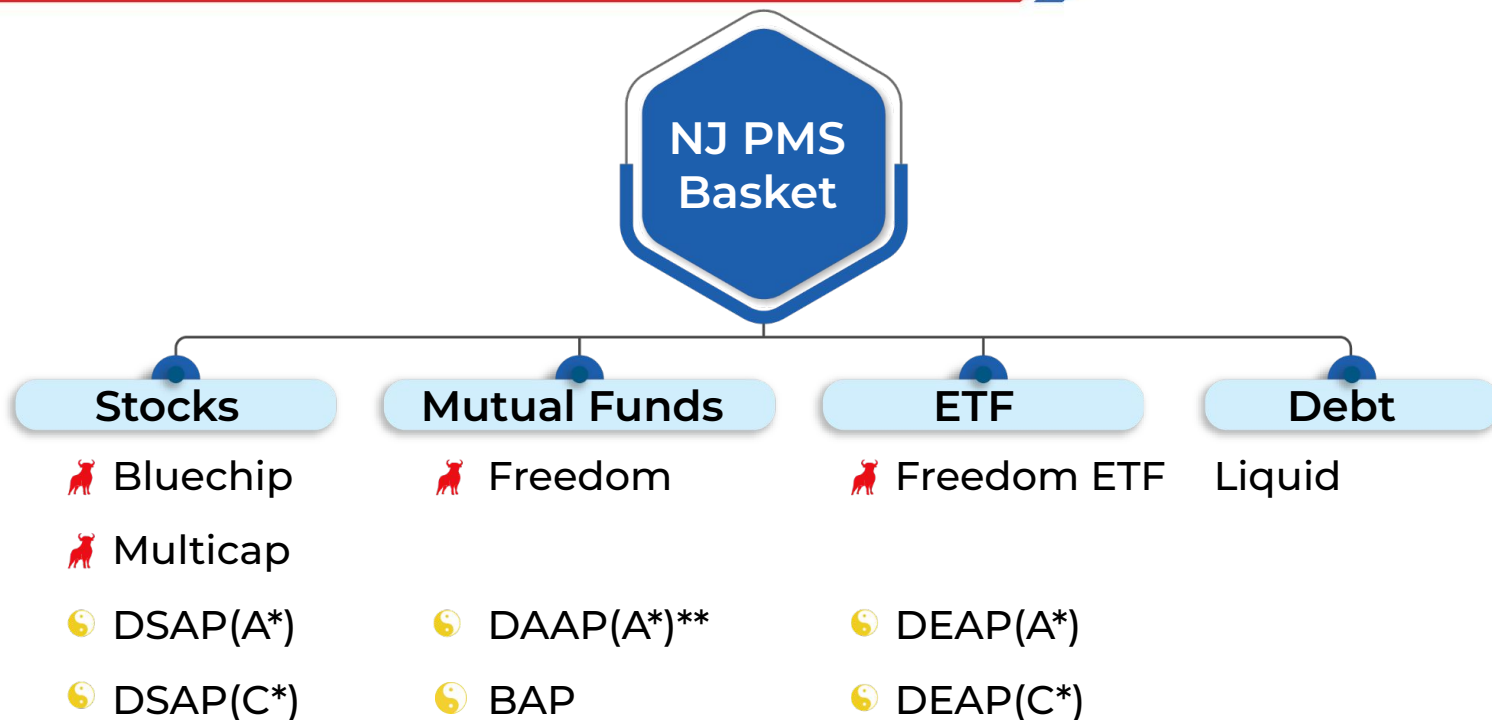


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# 5 PILLARS OF INVESTING AT NJ PMS




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\*A - Aggressive/\*C - Conservative

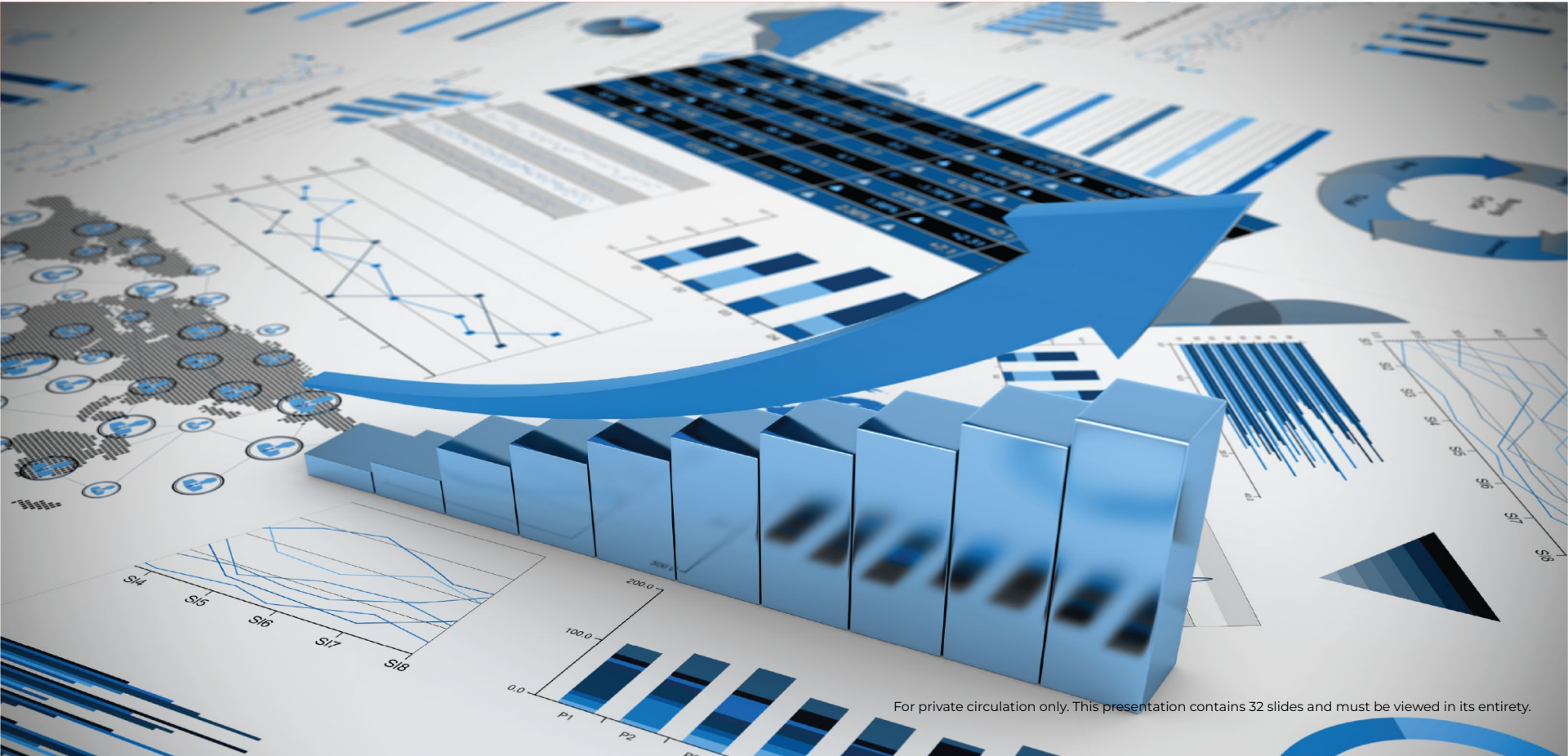
\*\* Discontinued for further subscription

 100% Equity

 Dynamic Asset allocation

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# BLUECHIP PORTFOLIO



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**Investment Objective:** To generate capital appreciation over a long term by investing in equities and equity related instruments.

**The investment approach is as summarised below :**

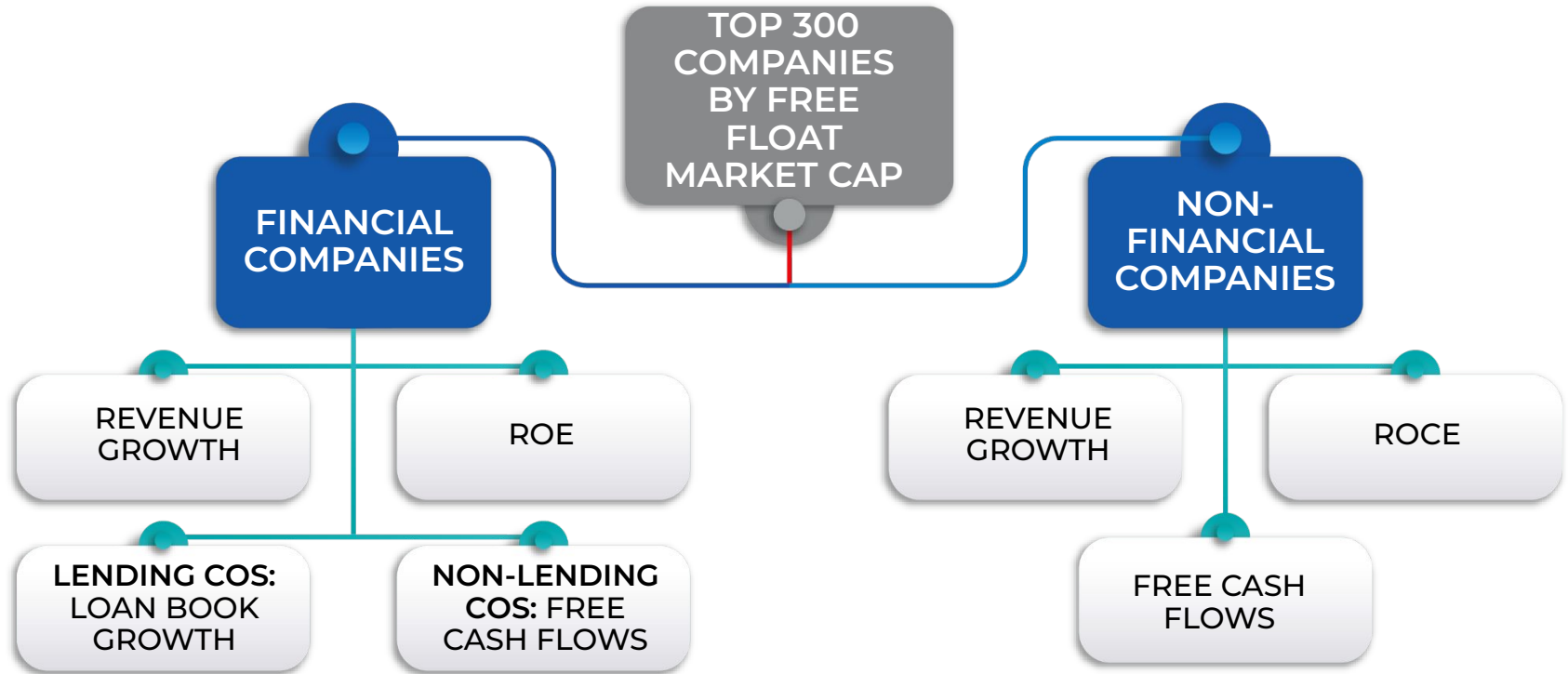


- Rule-based stock selection
- Focus on companies with superior quality along with a filter for momentum
- Portfolio would be reviewed for re-balancing on a half yearly basis
- Allocation would be 80% to 100% in equity and equity related securities and 0% to 20% in debt oriented mutual funds, cash, liquid funds and arbitrage funds.

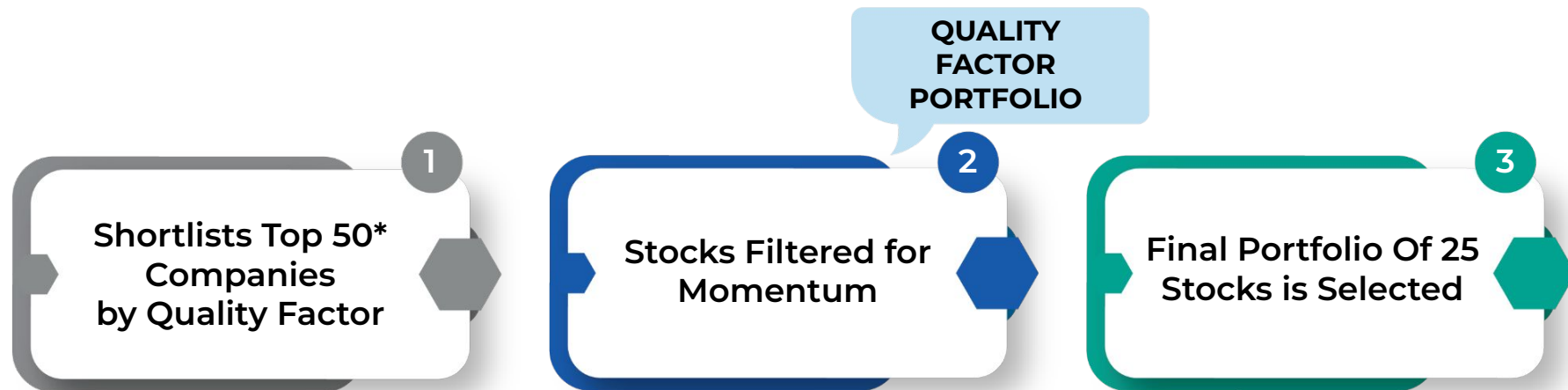
For detailed risk factors of the portfolio, associated with investment approach, please refer to the Disclosure Document available on our website [www.njpms.in](http://www.njpms.in).

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- Model portfolio based weights allocated with a maximum threshold of 8% per stock at the time of rebalancing and 10% during the period of holding
- Portfolio would be reviewed for re-balancing on a half yearly basis with a monthly monitor on their Momentum (Total Price Return)
- This investment approach is 100% equity and the relevant benchmark is NIFTY 500 TRI. The basis of Selection of benchmark is such that it is most suited for comparing the performance of the portfolio.

\*No. of companies may be higher than 50 if the quality rank of companies are similar while selecting 50th company

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# PERFORMANCE OF BLUECHIP PORTFOLIO (TWRR)

PERIOD	BLUECHIP PORTFOLIO		NIFTY 500 TRI	
	RETURN	VOLATILITY	RETURN	VOLATILITY
<b>12 M</b>	-12.42	20.58	3.54	17.98
<b>24 M</b>	22.42	17.95	28.34	16.38
<b>36 M</b>	19.21	20.18	18.03	21.41
<b>SINCE INCEPTION*</b>	14.05	18.04	13.33	19.08

- Performance is as on October 31, 2022. Calculated on a TWRR (time-weighted rate of return) basis
- \*Inception Date: March 12, 2018
- Past performance may or may not be sustained in future and does not guarantee future returns
- Past performance is post expenses and pre-tax
- Above performance data is not verified by SEBI

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**Investment Objective:** To deliver capital appreciation over a long term from a diversified portfolio that predominantly invests in equities and equity related instruments across various market capitalization.

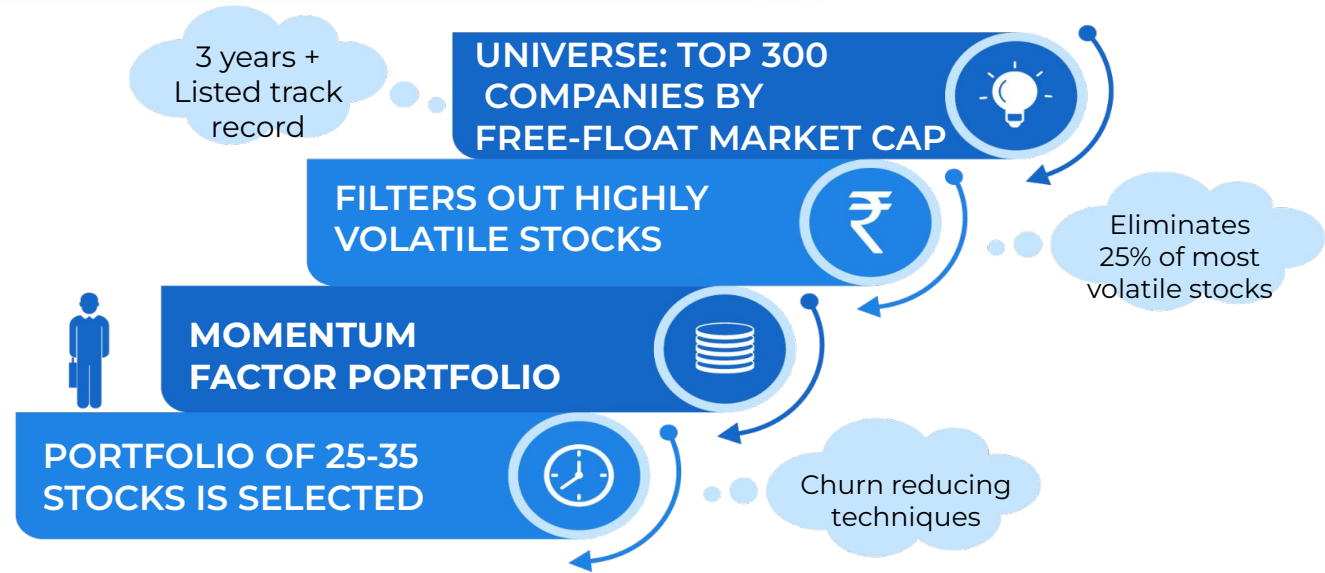


**The investment approach is as summarised below :**

- Rule-based stock selection
- Focus on companies with superior momentum along with a volatility filter
- Flexible allocation to invest across market capitalisation
- Portfolio would be reviewed for re-balancing on a quarterly basis
- Allocation would be 80% to 100% in equity and equity related securities and 0% to 20% in debt oriented mutual funds, cash, liquid funds and arbitrage funds.

For detailed risk factors associated with the investment approach, please refer to the Disclosure Document available on our website [www.njpms.in](http://www.njpms.in)

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- Model portfolio based weights allocated with a maximum threshold of 8% per stock at the time of rebalancing and 10% during the period of holding
- Portfolio would be reviewed for re-balancing on a quarterly basis
- This investment approach is 100% in equities and the relevant benchmark is NIFTY 500 TRI. The basis for selection of benchmark is such that it is most suited for comparing performance of the portfolio.

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# PERFORMANCE OF MULTICAP PORTFOLIO (TWRR)

PERIOD	MULTICAP PORTFOLIO		NIFTY 500 TRI	
	RETURN	VOLATILITY	RETURN	VOLATILITY
<b>12 M</b>	-3.28	22.58	3.54	17.98
<b>24 M</b>	31.37	19.98	28.34	16.38
<b>36 M</b>	21.96	23.46	18.03	21.41
<b>60 M</b>	6.26	21.34	12.29	18.63
<b>SINCE INCEPTION *</b>	11.69	19.86	15.56	17.20

- Performance is as on October 31, 2022. Calculated on a TWRR (time-weighted rate of return) basis
- \* Inception Date: April 02, 2016
- Past performance may or may not be sustained in future and does not guarantee future returns
- Past performance is post expenses and pre-tax
- Above performance data is not verified by SEBI

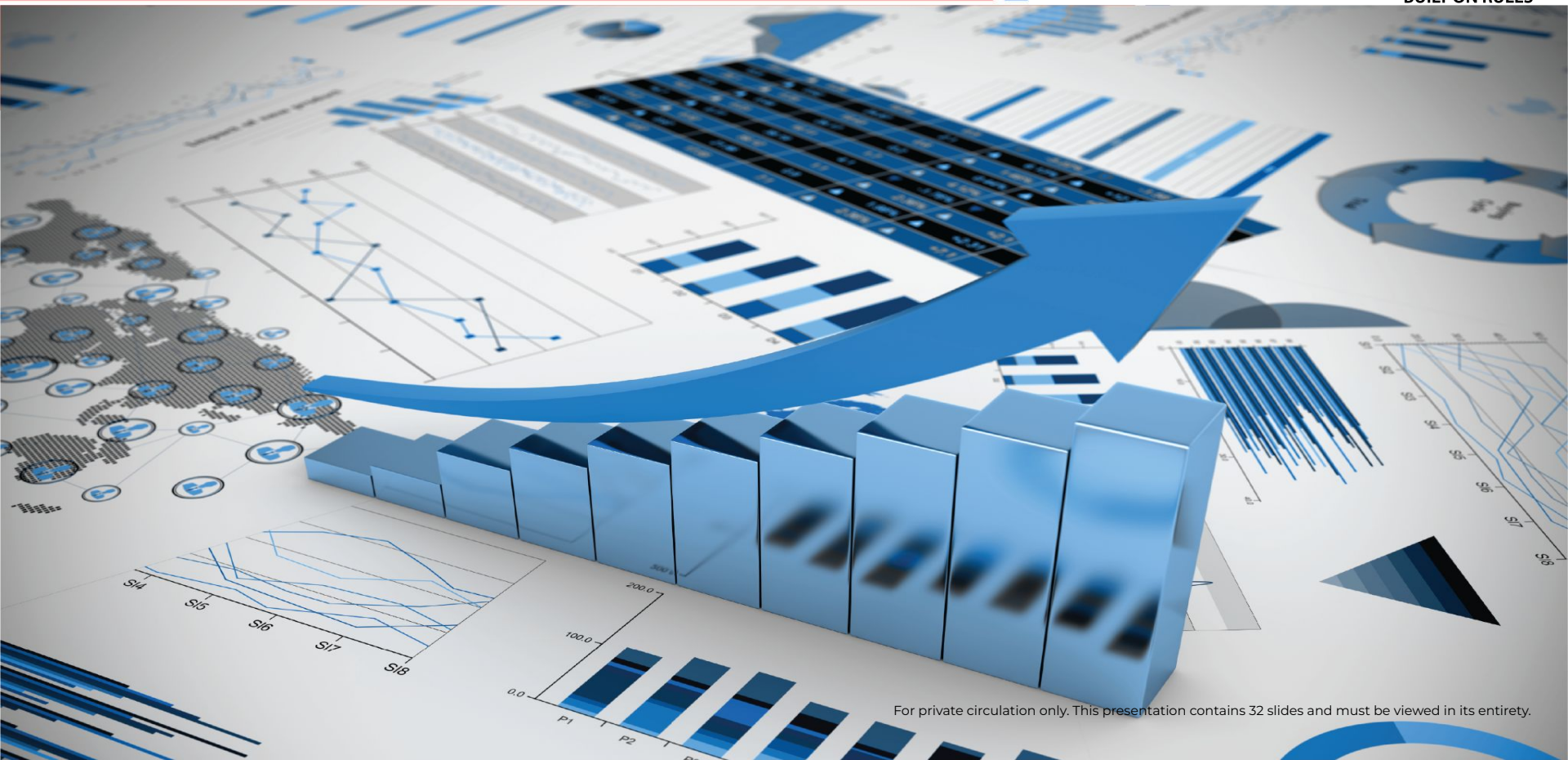
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# FREEDOM PORTFOLIO



BUILT ON RULES



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**Investment Objective:** To generate capital appreciation in the long term through investments in equity oriented Mutual Fund schemes.



**The investment approach is as summarised below :**

- Rule-based Mutual Fund selection with Concentrated Portfolio
- Portfolio Allocation:
  - Equity oriented Mutual Fund schemes (Direct Plans) (80%-100%)
  - Cash\*, Debt oriented Mutual Fund schemes, Liquid Funds and Arbitrage Funds (Direct Plans)(0%-20%)
- Portfolio would be reviewed for re-balancing on a yearly basis
- Benchmark is NIFTY 500 TRI. The basis for selection of benchmark is such that it is most suited for comparing the performance of the portfolio.

\*Marginal Cash Allocation on a/c of Portfolio rebalancing

For detailed risk factors associated with the investment approach, please refer to the Disclosure Document available on our website [www.njpms.in](http://www.njpms.in)

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# PERFORMANCE OF FREEDOM PORTFOLIO (TWRR)

PERIOD	FREEDOM PORTFOLIO		NIFTY 500 TRI	
	RETURN	VOLATILITY	RETURN	VOLATILITY
<b>12 M</b>	-0.54	16.89	3.54	17.98
<b>24 M</b>	24.83	15.35	28.34	16.38
<b>36 M</b>	17.13	19.46	18.03	21.41
<b>SINCE INCEPTION*</b>	11.25	17.28	12.74	18.74

- Performance is as on October 31, 2022. Calculated on a TWRR (time-weighted rate of return) basis
- \*Inception Date: Dec 01, 2017
- Past performance may or may not be sustained in future and does not guarantee future returns
- Past performance is post expenses and pre-tax
- Above performance data is not verified by SEBI



- **Investment Objective:** To generate capital appreciation over a long term through investments in equity oriented exchange traded funds (ETFs), index funds, fund of funds and equity schemes which have underlying as Indian indices, foreign indices and foreign stocks.
- **The investment approach is summarised as below:**
  - Equity Oriented Exchange Traded Fund/Index Fund/FoFs/Fund investing in foreign securities - 80% to 100%
  - Cash, Debt Oriented Mutual Funds, Liquid Funds, and Arbitrage Funds - 0% to 20%
  - Rule-based selection of 2 out of 3 Indian ETFs tracking Nifty 50, Nifty Next 50 & Nifty Midcap 150 indices
  - Rule-based selection of ETFs/Fund of Funds/Equity schemes tracking foreign indices
  - ETF selection and allocation currently with underlying NIFTY 50 (30%), NIFTY NEXT 50 - (45%) & NASDAQ 100 - (25%)
  - Portfolio is rebalanced annually unless there is a significant change in allocation due to indices performance
  - Benchmark is NIFTY 500 TRI. The basis of benchmark is such that it is most suited for comparing performance of the portfolio

For detailed risk factors associated with the Investment approach,, please refer to the Disclosure Document available on our website [www.njpms.in](http://www.njpms.in)

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# DIVERSIFICATION IS THE ONLY FREE LUNCH

STATISTICS	SENSEX	SENSEX & NASDAQ
CAGR	13%	16%
<b>Standard deviation</b>	<b>25%</b>	<b>20%</b>
<b>Downside deviation</b>	<b>15%</b>	<b>12%</b>
Sharpe ratio	0.25	0.44
Sortino ratio	0.41	0.72
Worst drawdown	-61%	-60%
Worst month return	-31%	-18%
Best month return	42%	27%
Profitable months	58%	62%

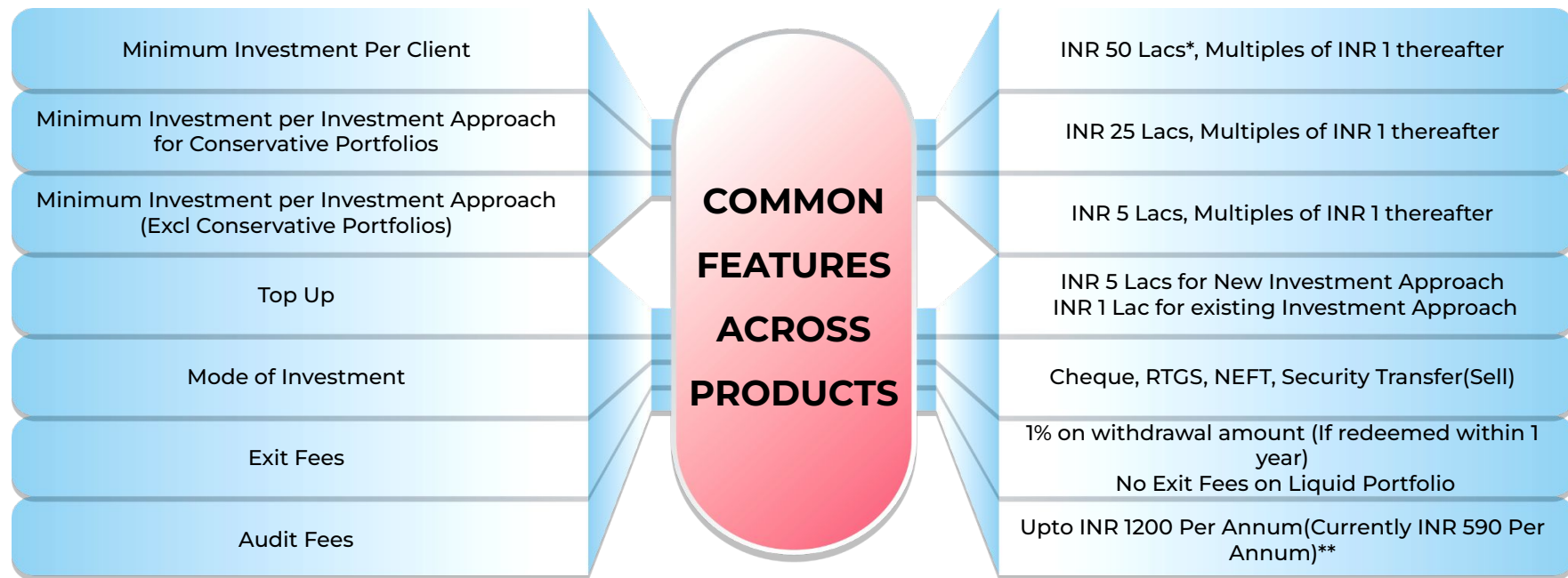
Source: Bloomberg, BSE

- All the Index values are INR denominated
- All portfolios are rebalanced yearly
- Back-tested period is from January 1, 1986 to July 31, 2020 (approx. 35 yrs)

# PERFORMANCE OF FREEDOM ETF PORTFOLIO (TWRR)

PERIOD	FREEDOM ETF PORTFOLIO		NIFTY 500 TRI	
	RETURN	VOLATILITY	RETURN	VOLATILITY
12 M	-3.68	16.80	3.54	17.98
24 M	21.95	14.37	28.34	16.38
36 M	13.71	17.91	18.03	21.41
SINCE INCEPTION*	9.28	16.72	13.67	19.06

- Performance is as on October 31, 2022. Calculated on a TWRR (time-weighted rate of return) basis
- \*Inception Date: March 09, 2018
- Past performance may or may not be sustained in future and does not guarantee future returns
- Past performance is post expenses and pre-tax
- Above performance data is not verified by SEBI



**\*Subject to change as per SEBI (Portfolio Managers) Regulations, 2020. | \*\* May change from time to time**

Note: The Portfolio Manager offers the option of direct on-boarding to clients under the Discretionary Services. At the time of on-boarding of clients directly, no charges except statutory charges shall be levied for the on-boarding. The Client may download the application Form from the website of the Portfolio Manager at [www.njpms.in](http://www.njpms.in) for availing the Portfolio Management Services and submit the same with required details and documents for direct on-boarding at the office of the Portfolio Manager.

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Investing in securities involves certain risks and considerations associated generally with making investments in securities. The value of the portfolio investments may be affected generally by factors affecting financial markets, such as price and volume, volatility in interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws) or other political and economic developments. Consequently, there can be no assurance that the objective of the Portfolio would be achieved. The value of the portfolios may fluctuate and can go up or down. Prospective investors are advised to carefully review the Disclosure Document, Client Agreement, and other related documents carefully and in its entirety and consult their legal, tax and financial advisors to determine possible legal, tax and financial or any other consequences of investing under this Portfolio and to understand the risk factors, before making an investment decision. Please note that past performance of the financial products, instruments and the portfolio does not necessarily indicate the future prospects and performance thereof. Such past performance may or may not be sustained in future. Portfolio Manager's investment decisions may not be always profitable, as actual market movements may be at variance with anticipated trends. The investors are not being offered any guaranteed or assured returns. The PM may be engaged in buying/selling of such securities.

Individual returns of Clients for a particular portfolio type may vary significantly from the data on performance of the portfolios as may be depicted by the Portfolio Manager from time to time. This is due to factors such as timing of entry and exit, timing of additional flows and redemptions, individual client mandates, specific portfolio construction characteristics or structural parameters, which may have a bearing on individual portfolio performance. No claims may be made or entertained for any variances between the performance depictions and individual portfolio performance. Neither NJ Asset Management Private Limited (the "Portfolio Manager" or "PM") nor its Directors or Employees shall be in any way liable for any variations noticed in the returns of individual portfolios. The Client shall not make any claim against the Portfolio Manager against any losses (notional or real) or against any loss of opportunity for gain under various PMS Products, on account of or arising out of such circumstance/ change in market condition or for any other reason which may specifically affect a particular sector or security.

All data/information used in the preparation of this material is dated and may or may not be relevant any time after the issuance of this material. The Portfolio Manager/ the PM take no responsibility of updating any data/information in this material from time to time. In the preparation of this material the PM has used information that is publicly available, including information developed in-house. Some of the material used herein may have been obtained from members/persons other than the PM and/or its affiliates and which may have been made available to the PM and/or to its affiliates. Information gathered and material used herein is believed to be from reliable sources. The PM however does not warrant the accuracy, reasonableness and/or completeness of any information. For data reference to any third party in this material no such party will assume any liability for the same. We have included statements/opinions/recommendations in this material, which contain words, or phrases such as "will", "expect", "should", "believe" and also PE ratios, EPS and Earnings Growth for forthcoming years and similar expressions or variations of such expressions that are "forward looking statements". Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, the monetary and interest policies of India, inflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in the industry. Securities investment are subject to market risk, read all relevant documents before investing.

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# THANK YOU

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