

NS Industry Champ

NS Mid & Small cap

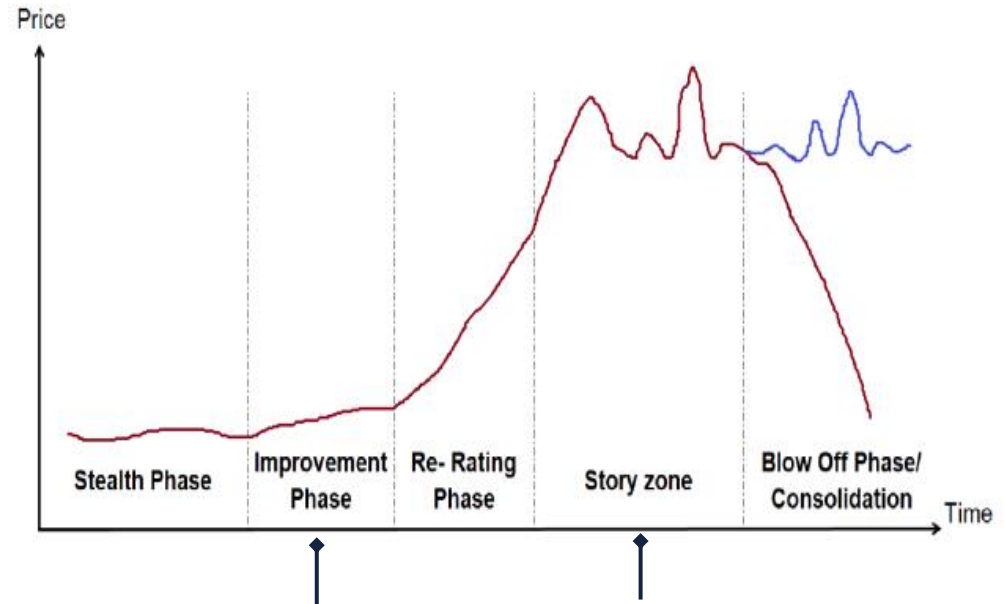
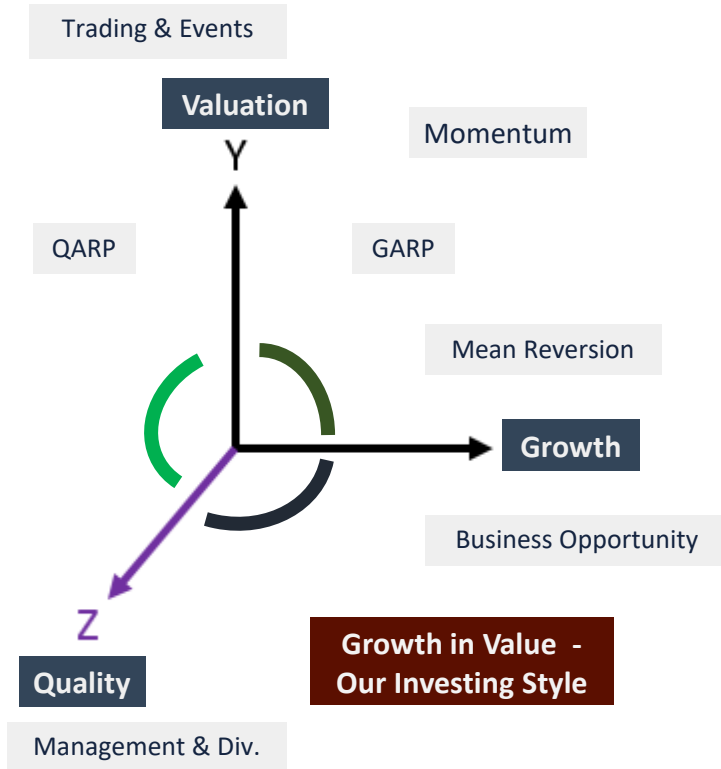
NS 5Tx5T

Bottoms up stock research with M5 Framework

Narnolia

Investment Advisory Service offered by Narnolia Investment Advisors Pvt Ltd.
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Good Business : Growth in value & principle of Linearity

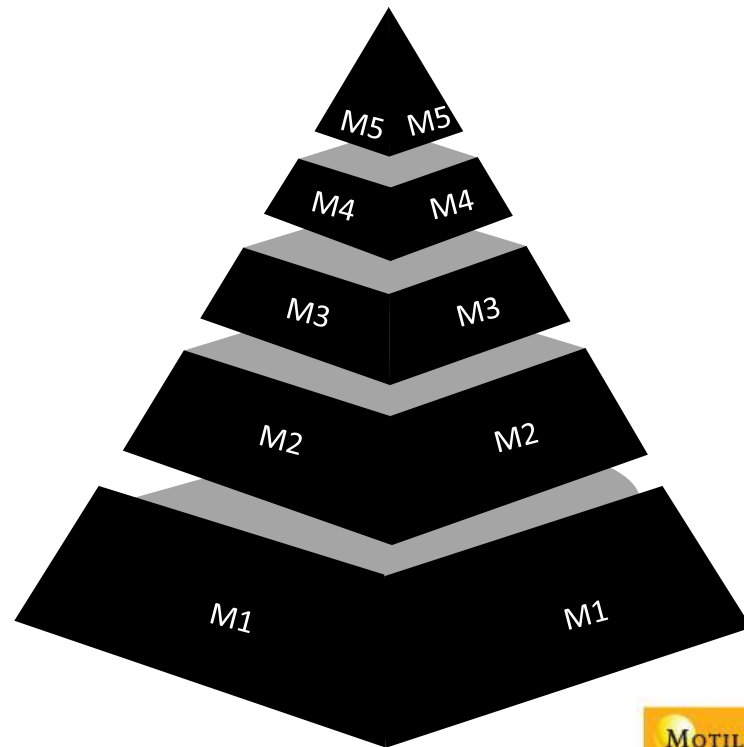


- ❖ Mid Improvement Phase to Mid Story Zone phase favors 'Growth In Value' Style of Investing.
- ❖ 2021 to 2024 should favor this style similar to 2014 -2016.

Investment Decisions : M5 Research framework that connects macro seamlessly with Micro



- M5** **Multiples**
Valuation Envelope Equation
- M4** **Modeled Headline Financial Numbers**
PL, BS, CF, Schedule
- M3** **Business & Financial Moat**
Sources of earnings quality
- M2** **Management Strategy**
Finance, HR, Product, Pricing, Supply Chain
- M1** **Market**
Addressable Market & it's changing dynamics



4 Pillars of Risk Management framework



01

STOCK LIMIT

Limits on Maximum weightage on single stock

02

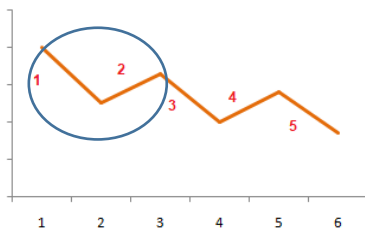
SECTOR LIMIT

Limits on Maximum weightage on single sector

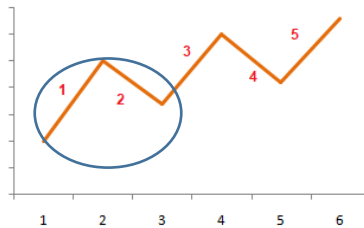
03

STOCK REVIEW

Bear Market



Bull Market

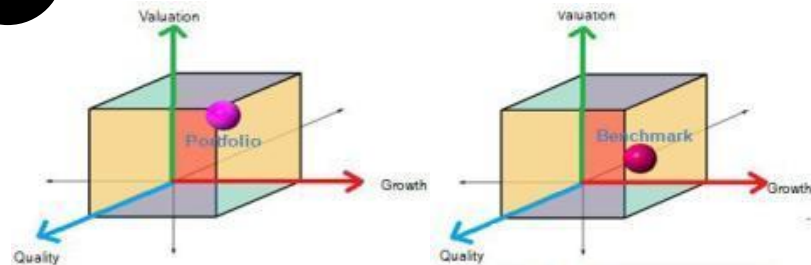


All kinds of market move in alternate swings – Whether Bull, Bear or Sideways

If any of portfolio stocks underperforms for two consecutive swings and exhibits higher volatility, that stock gets market for SELL

04

FUNDAMENTAL QUADRANT – Q G V



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

All kinds of market move in alternate swings - whether Bull, Bear or Sideways

NS INDUSTRY CHAMP



OBJECTIVE

Investing in companies that are top-3 players of their respective industry



STRATEGY

Identify companies which are leaders of their respective industry & 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.

Companies with a track record of industry outperformance, effective leadership and efficient management usually find themselves as the industry leaders. In an uncertain economic environment these are the preferred companies to Invest as these companies are run by proven management and leadership team than can navigate difficult times.

NS INDUSTRY CHAMP : Key Features



- **Investment in the Industry Leaders**
Investment in the industry leader ensures good governance and continuous innovation in the management
- **Cap Risk:**
The model portfolio will have exposure to leaders of the segment which comprise of mostly large cap stocks
- **Benchmarking:**
The model portfolio will be benchmarked against the Nifty Large & Mid 250
- **The portfolio:**
The portfolio will consist of 12-18 stocks.
- **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.

NS Industry champ :Illustration



NS INDUSTRY CHAMP PORTFOLIO		
STOCK	SECTOR	WEIGHT
RELIANCE	Industrial	10%
TCS	Global	10%
APOLLOHOSP	Consumers	10%
DMART	Consumers	10%
HDFCBANK	Financials	9%
ICICIBANK	Financials	9%
LT	Industrial	8%
MCDOWELL-N	Consumers	7%
BHARTIARTL	Industrial	5%
NESTLEIND	Consumers	5%

Portfolio Attributes	
No of Stocks	15
% Assets in top 10 holdings	83%
% Assets in Next 5 holdings	17%

The securities quoted are exemplary and are not recommendatory

NS MID & SMALLCAP



OBJECTIVE

Investing in smaller but Budding companies of India



STRATEGY

Active investing in Small Cap investment universe by identifying companies with improving fundamentals. Tactical weight allocation under the sub-classes to achieve positive return along with managing the risk.



PROCESS : Fundamental Bottom - Up Research

Information mining, financial modeling, investment thesis, active & rigorous tracking for changes in earnings & quality outlook.

Most of the multi bagger stock today were small cap few years back. Over the last 2 years, small cap stocks have seen sharp fall owing to credit squeeze, demand slowdown and over ownership during 2017. Small cap theme portfolio is not meant as core portfolio for an investor but some tactical allocation by investors in small cap theme can be highly valuable. Small Cap Companies have potential to perform well in cycles.

NS MID & SMALLCAP : Key Features

- **Investment in high risk but high gain**
Mid & Small Cap stocks are usually high risk high gain opportunities
- **Cap Risk:**
The model portfolio carries cap risk as it is exposed primarily to the small capitalization stocks.
- **Benchmarking:**
The model portfolio will be benchmarked against the Nifty Mid & Small Cap 400 Index.
- **The portfolio:**
The portfolio will consist of 20 -30 stocks.
- **Growth in Value Framework**
Companies that have improving/higher Risk reward ratio are favored.
- **Bottom Up Analysis:** A rigorous bottom up research of business financials and management strategies is carried out for all portfolio companies.

NS MID & SMALLCAP : Illustration



NS Mid and Small Cap Portfolio		
STOCK	SECTOR	WEIGHT
ESCORTS	Consumers	8%
TATAELXSI	Global	7%
NAZARA	Global	7%
VMART	Consumers	6%
MOLDTKPAC	Industrial	6%
ICICIGI	Financials	6%
NH	Consumers	5%
WELSPUNIND	Industrial	5%
SUPRAJIT	Consumers	5%
CAMS	Financials	5%

PORTFOLIO ATTRIBUTES	
No of Stocks	21
% Assets in top 10 holdings	60%
% Assets in Next 5 holdings	22%

The securities quoted are exemplary and are not recommendatory



OBJECTIVE

The portfolio provides a unique theme-based investing opportunity in the Indian market



STRATEGY

This strategy focuses on themes that should form part of India's next growth engine. The portfolio comprises stocks from 5(4-6) different themes.



PROCESS : Fundamental Bottom - Up Research

Information mining, financial modeling, investment thesis, active & rigorous tracking for changes in earnings & quality outlook.

As India approaches to become \$5trillion 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

NS 5Tx5T: Key Features

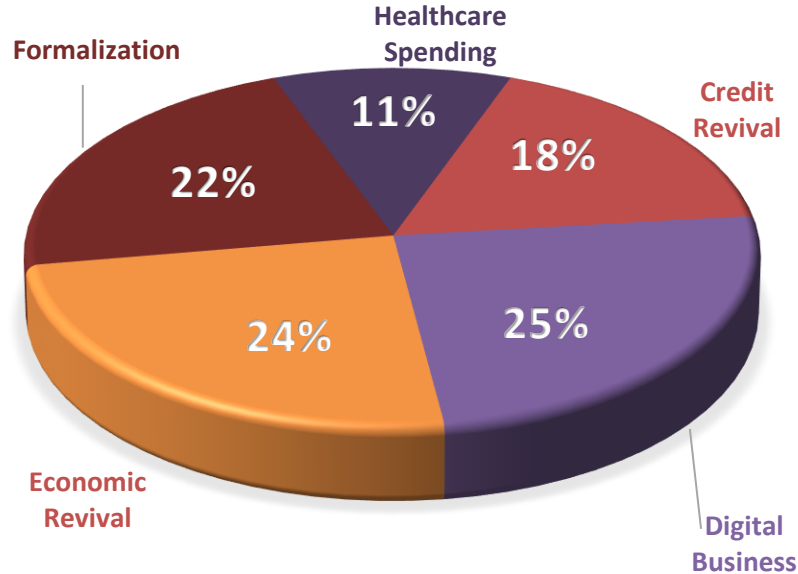
- **Investment in Themes:**
Based on Macro View and Risk Rewards availability among various themes
- **Cap Risk:**
The universe consists of stocks from all three cap: large, mid and small
- **Benchmarking:**
The model portfolio will be benchmarked against the Nifty 500
- **The portfolio:**
The portfolio will consist of 15 -20 stocks.
- **Growth in Value Framework**
Companies that have improving/higher Risk reward ratio are favored.
- **Bottom Up Analysis:** A rigorous bottom up research of business financials and management strategies is carried out for all portfolio companies.

NS 5Tx5T : Illustration



Formalization	
DMART	9%
WELSPUNIND	6%
BRITANNIA	6%

Economic Revival	
KNRCON	5%
PRAJIND	5%
CUMMINSIND	5%
CONCOR	4%
JKCEMENT	4%



Healthcare Spending	
SBILIFE	7%
NH	5%

Credit Revival	
ICICIBANK	10%
SBIN	9%

Digital Business	
TCS	10%
ISEC	7%
NAZARA	6%
RAMCOSYS	2%

The securities quoted are exemplary and are not recommendatory

NS 5Tx5T : Illustration

NS 5Tx5T Portfolio		
STOCK	Themes	WEIGHT
TCS	Digital Business	10%
ICICIBANK	Credit Revival	10%
SBIN	Credit Revival	9%
DMART	Formalization	9%
SBILIFE	Healthcare Spending	7%
ISEC	Digital Business	7%
WELSPUNIND	Formalization	6%
BRITANNIA	Formalization	6%
NAZARA	Digital Business	6%
KNRCON	Economic Revival Theme	5%

PORTFOLIO ATTRIBUTES	
No of Stocks	16
% Assets in top 10 holdings	75%
% Assets in Next 5 holdings	23%

The securities quoted are exemplary and are not recommendatory

IAP : Product Performance



	FUNDTECH	BSE 500	PRIME	NIFTY 200	ZODIAC	NIFTY 50	OPENQ MNC	NIFTY MNC	NS INDUSTRY CHAMP	NIFTY LARGE MIDCAP 250	NS MID & SMALLCAP	NIFTY MID SMALL CAP 400	NS 5Tx5T	NIFTY 500	ALPHA BLUECHIP	NIFTY 200
Nov-21	1.4	-3.0	-3.45	-4.72	-5.70	-4.90	-0.74	-2.72	0.51	-2.43	-0.09	-1.15	-2.73	-2.91	-2.20	-3.30
3 M	-2.9	0.4	6.11	0.06	-3.80	-0.66	1.65	-0.17	6.18	2.97	5.33	5.59	2.24	1.74	6.50	0.00
6 M	14.9	10.6	24.75	9.7	-	-	18.86	11.21	28.42	13.19	21.25	16.34	14.85	9.48	19.90	10.0
1 Yr.	68.1	37.0	-	-	-	-	-	-	47.66	41.14	51.24	55.23	-	-	-	-
LTD	173.4	50.90	38.04	16.01	8.56	7.79	31.78	18.96	121.2	129.01	168.46	165.95	14.85	9.48	27.50	15.80
Launch Date	Aug-18		Feb-21		Jul-21		Feb-21		Apr-20		Apr-20		Apr-21		21-Apr	

Model Portfolio Performance as on 30th Nov 2021

Subscription Model, Fees & charges



Upfront Subscription

- Fees : 2% p.a (Chargeable Half yearly on AUA at 1%)
- Brokerage : 0.50%
- Breakage Fees : NIL
- Withdrawal : Full & Partial

Fixed Fees Model

- Fees : Subject to max cap of Rs.1.25 lakh (20% Fees above 10% Hurdle rate Charged quarterly). Higher water marked
- Brokerage : 1.00 %
- Breakage Fees : 0.5% (If Exit Within 6 months)
- Withdrawal : Full & Partial