

**Narnolia®**



# EQUITY PMS STRATEGY

October 2021

$$\tilde{U}(r, m) = \frac{1}{\Lambda(r, m)} \exp \left[ \int_0^r \left( \frac{m}{m_0} \right)^{\frac{1}{\gamma}} \right]$$

$$P(r, m) = \exp \left[ - \int_0^r \frac{m}{2q(r')} \left( \frac{m}{m_0} \right)^{\frac{1}{\gamma}} \right]$$

$$P(r, m) = \sigma^2$$

# Why Narnolia?

- ❑ Recognized by the Industry Leaders and our satisfied clients.
- ❑ Industry Leading Performance in terms of RISK adjusted portfolio returns.
- ❑ Client First philosophy and Portfolio performance by Design, not by Chance.
- ❑ Dominant Capital Markets Player in Eastern India for the past 24 years.
- ❑ No. 1 in Investment Advisory Portfolio with longest track record in the industry. More than 40 distributors.
- ❑ PMS track record since 2012. Recognized as the 'Most Consistent Portfolio Manager of the Country'- 2018 & 2019
- ❑ 2<sup>nd</sup> largest Registered Investment Advisor(RIA) of the country- (AUM -1000cr.+ Category) by BSE Star & Associates, 2020 -2021

## We Are Recognized

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 Tefra's

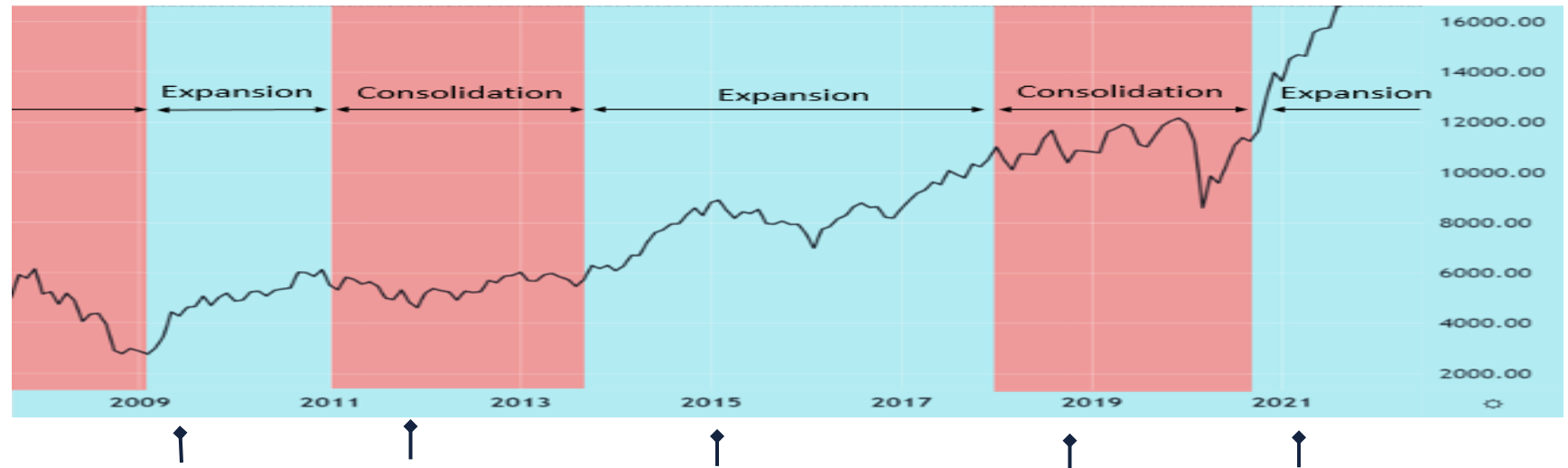


India's Most Promising  
Brand 2017 by WCRC



Inspirational Leader  
2018 by WCRC, in London

# Industry Leading Performance across Cycles - Particularly during Bad Times



**Narnolia Investment Advisory Portfolio Performance (April 2009 to September 2021)**

	30thApr2009 – 31stMar2011	31stMar2011- 31stJuly 2013	31stJuly 2013- 28thFeb.2018	28thFeb2018- 31stJuly2020	31 <sup>st</sup> July2020-30 <sup>th</sup> Sept.
<b>NS Industry Leaders</b>	130%*	0.4%	211.7%	-4.0%	66.6%
<b>NS Mid &amp; Small Cap</b>			567.1%	-20.8%	94.7%
<b>NS Multi Cap</b>	140%*	-3.2%	216.9%	9.1%	75.7%
<b>VS Benchmarks</b>					
<b>Nifty 100</b>	99%	-1.5%	93.1%	3.3%	59.0 %
<b>Nifty Mid &amp; Small Cap 400</b>			223.8%	-21.9%	100.4%
<b>Nifty 500</b>	103%	-5.3%	111.5%	-2.4%	66.6%

\*Returns are absolute %

# Industry Leading Performance across Cycles - Particularly during Bad Times

Narnolia PMS Performance as on 30 <sup>th</sup> September 2021				
Returns/Benchmark	Large Cap	Mid & Small Cap	Multi Cap	New India
1 year	58.9% / 56.7%	70.7% /78.8%	62.2% /61.1%	53.5% / 61.1%
3 years	21.5% /17.1 %	35.8% / 22.6%	23.6% /18.2%	23.0% / 18.2%
5 years	17.2% / 15.1 %	23.8% / 16.1%	19.4% / 15.3%	19.6% / 15.3%
Since Inception	19.0% / 14.1%	25.2% / 15.3%	22.1 % / 14.6%	19.6% / 13.0%
Aug 13 – Jan 18	28.4 % / 17 %	26.6 % / 20.2 %	31.3 % / 19.3 %	22.2 % / 13.4 %
Feb18 – September 21	15.0% / 13.0%	24.2% / 11.8 %	18.3% / 12.7%	17.7% / 12.7%
1st Jan 20 - 23rd March 20	-30.4 % / -37.1 %	-24.0%/ - 35.4 %	-30.5 % / - 36.8 %	-29.8% / - 36.8 %
23 <sup>rd</sup> March 20 – 30 <sup>th</sup> September 21	126.7% / 131.2%	175.6% / 184.2%	154.7% /141.1%	131.7% / 141.1%
1st Jan 20 – 30 <sup>th</sup> September 21	57.8% / 45.5%	109.5 / 83.6 %	77.1% /52.5%	62.7% / 52.5%
Calendar Year Outperformance	7 out of 10	5 out of 7	10 out of 10	7 out of 7
Financial Year Outperformance	7 out of 10	5 out of 7	8 out of 10	5 out of 7

Please note: More than one year are CAGR returns

# Industry Leading Performance across Cycles - Particularly during Bad Times

Calendar Year Performance									Financial Year Performance								
	Large Cap	Nifty 100	Mid & Small Cap	Nifty Mid & Small cap 400	Multi Cap	Nifty 500	New India	Nifty 500		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	-	-	2012-13	1.6	7.3	-	-	4.4	5.1	-	-
2013	5.4	6.5	-	-	9.3	3.6	-	-	2013-14	20.9	18.3	-	-	25.5	17.7	-	-
2014	56.7	33.2	-	-	62.4	37.8	-	-	2014-15	61.6	29.1	-	-	67.4	33.6	-	-
2015	5.9	-2.4	25.7	5.8	15.2	-0.7	10.3	-2.2	2015-16	-2.4	-8.1	17.7	-3.4	2.0	-7.5	4.8	-6.1
2016	5.4	3.6	10.1	3.8	4.7	3.8	10.5	3.8	2016-17	26.1	20.9	34.7	37.2	27.7	23.9	33.7	23.9
2017	42.3	31.0	42.0	55.3	37.2	35.9	41.6	35.9	2017-18	15.2	10.7	18.2	14.5	17.7	11.5	19.4	11.5
2018	-1.2	1.1	-9.6	-18.0	-2.5	-3.4	0.3	-3.4	2018-19	6.0	12.5	0.6	-5.4	4.6	8.4	8.2	8.4
2019	8.3	10.4	13.4	-2.9	9.1	7.7	11.9	7.7	2019-20	-18.3	-25.9	-12.1	-34.3	-19.4	-27.6	-16.0	-27.6
2020	21.6	14.9	46.3	24.6	30.6	16.7	23.7	16.7	2020-21	64.3	69.6	96.0	105.1	80.4	76.0	66.3	76.0
2021	29.8	26.6	43.2	47.3	35.6	30.7	31.6	30.7	2021-22	26.6	20.5	30.1	28.8	26.4	22.2	24.5	22.2

**\*\*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 30<sup>th</sup> September 2021, not full year , for Financial year 2021-22 returns are YTD, as on 30<sup>th</sup> September not full year**

# Industry Leading Performance across Cycles - Particularly during Bad Times

## Narnolia PMS Performance as on 30th September 2021

Strategies / Tenure	1 month	1 Year	2 Years	3 years	5 years	Since Inception
Large Cap @	3.3%	58.9%	26.7%	21.5%	17.2%	19.0%
Mid & Small Cap #	4.5%	70.7%	48.4%	35.8%	23.8%	25.2%
Multi Cap \$	3.5%	62.2%	35.0%	23.6%	19.4%	22.1%
New India \$	3.8%	53.5%	30.1%	23.0%	19.6%	19.6%
VS Benchmarks						
Nifty 100 @	2.7%	56.7%	24.0%	17.1%	15.1%	14.1%
Nifty Mid & Small Cap 400 #	5.9%	78.8%	39.5%	22.6%	16.1%	15.3%
Nifty 500 \$	3.4%	61.1%	26.9%	18.2%	15.3%	14.6%/13.0%
* More than 1 year returns are CAGR						

## Excess Returns over Benchmark

Strategies / Tenure	1 month	1 Year	2 Years	3 years	5 years	Since Inception	Calendar Year Outperformance	Financial Year Outperformance
Large Cap @	0.6%	2.2%	2.8%	4.4%	2.1%	4.9%	7 out of 10 yrs	7 out of 10 yrs
Mid & Small Cap#	-1.3%	-8.1%	8.9%	13.1%	7.7%	9.9%	5 out of 7 yrs	5 out of 7 yrs
Multi Cap \$	0.1%	1.1%	8.1%	5.4%	4.1%	7.5%	10 out of 10 yrs	8 out of 10 yrs
New India \$	0.4%	-7.6%	3.1%	4.8%	4.4%	6.6%	7 out of 7 yrs	5 out of 7 yrs

## Portfolio Attributes

Portfolio Attributes								
Parameters	Large Cap	Nifty 100	Mid and Small Cap	Nifty 400	Multi Cap	Nifty 500	New India	Nifty 500
Beta	0.98		0.80		0.93		0.90	
R - Square	83.0		85.6		83.6		86.5	
Sharpe	1.1	0.8	1.3	0.7	1.3	0.8	1.1	0.7
Standard Deviation	18.0	16.8	19.6	22.6	17.6	17.4	17.6	18.2
Max Drawdown	-35.3	-38.1	-33.3	-50.0	-34.3	-38.3	-36.4	-38.3
Information Ratio	0.7		1.1		1.0		1.0	

# Returns Attribution for last 3 years

## Large Cap

Top 10 Contributors	Ending WT	Total Return	Contribution to Alpha
BAJFINANCE	7.5	150.4	670
APOLLOHOSP	5.6	330.0	612
INFY	0.0	84.8	238
GUJGASLTD	0.0	121.9	226
ASIANPAINT	0.0	102.5	223
ICICIBANK	4.8	97.2	219
TITAN	0.0	106.2	198
BHARTIARTL	3.1	104.1	152
DRREDDY	4.0	80.4	77
DMART	10.2	64.5	45

Top 10 Detractors	Ending WT	Total Return	Contribution to Alpha
HINDALCO	0.0	-16.9	-738
TCS	11.8	18.3	-736
MARUTI	0.0	-21.0	-549
AMARAJABAT	0.0	-15.8	-437
ITC	0.0	-33.7	-429
HDFCBANK	8.9	32.1	-418
LT	7.6	25.4	-370
ULTRACEMCO	0.0	-16.6	-361
SUNTV	3.3	-0.1	-347
NESTLEIND	4.7	15.9	-319

## Multi Cap

Top 10 Contributors	Ending WT	Total Return	Contribution to Alpha
TATAELXSI	5.3	209.8	854
INFY	6.5	124.1	575
INDIAMART	0.0	199.4	368
DIXON	0.0	125.0	289
WELSPUNIND	5.1	109.9	202
GUJGASLTD	0.0	156.2	200
ICICIBANK	6.1	98.5	191
VMART	3.6	110.6	142
HCLTECH	0.0	84.3	98
APLLTD	0.0	61.3	-14

Top 10 Detractors	Ending WT	Total Return	Contribution to Alpha
BRITANNIA	4.7	12.3	-839
SBIN	6.2	2.8	-695
INDUSINDBK	0.0	-14.5	-574
CYIENT	0.0	-47.3	-562
SBILIFE	6.8	16.0	-532
CCL	3.8	-2.6	-493
AMARAJABAT	0.0	-16.8	-493
CONCOR	3.9	-2.0	-489
TECHM	6.3	26.8	-445
WHIRLPOOL	0.0	-6.0	-406

## Mid & Small Cap

Top 10 Contributors	Ending WT	Total Return	Contribution to Alpha
DIXON	0.0	403.8	1237
TATAELXSI	6.0	290.3	1204
INDIAMART	0.0	169.4	512
BALKRISIND	4.9	188.1	424
RATNAMANI	0.0	140.4	287
KNRCON	4.5	145.1	270
WELSPUNIND	6.8	109.9	200
CAMS	4.2	127.0	189
CANFINHOME	0.0	120.3	152
LALPATHLAB	0.0	128.1	137

Top 10 Detractors	Ending WT	Total Return	Contribution to Alpha
BRITANNIA	0.0	14.5	-1002
WHIRLPOOL	0.0	-5.4	-963
NH	5.0	4.0	-926
AJANTPHARM	5.8	13.8	-874
CONCOR	3.8	-3.8	-848
RAMCOSYS	2.7	-16.9	-810
PRAJIND	4.1	2.5	-787
SUNTV	0.0	2.0	-772
AMARAJABAT	0.0	-16.6	-757
GODREJCP	0.0	-13.1	-742

## New India

Top 10 Contributors	Ending WT	Total Return	Contribution to Alpha
INDIAMART	0.0	193.7	490
HCLTECH	6.6	120.0	307
DIXON	0.0	123.0	281
BAJFINANCE	0.0	127.5	227
ICICIBANK	8.6	86.2	180
MINDAIND	0.0	98.0	147
CDSL	0.0	106.9	129
ESCORTS	7.3	81.0	118
TRENT	0.0	97.0	59
TITAN	0.0	62.7	-11

Top 10 Detractors	Ending WT	Total Return	Contribution to Alpha
BRITANNIA	5.6	13.6	-999
SBIN	8.1	6.3	-827
CONCOR	4.8	-0.9	-593
PRAJIND	4.9	0.1	-583
HDFCBANK	0.0	28.5	-537
GODREJCP	0.0	-5.7	-511
CHOLAFIN	0.0	-13.5	-502
INDUSINDBK	0.0	-14.5	-440
SBILIFE	7.3	24.9	-436
DRREDDY	0.0	-4.8	-424



**Largest Research and Investment team in the country for PMS**

**Promoter Led & Process Driven**

**112 Sub-Processes**

(unbiased, disciplined, Multi assets and multi strategy research framework)

**Investment Decisions**

- Aligning Quality with Quant: 2600 to 80 Stocks
- Aligning Macro with Micro
- Aligning estimates with Price



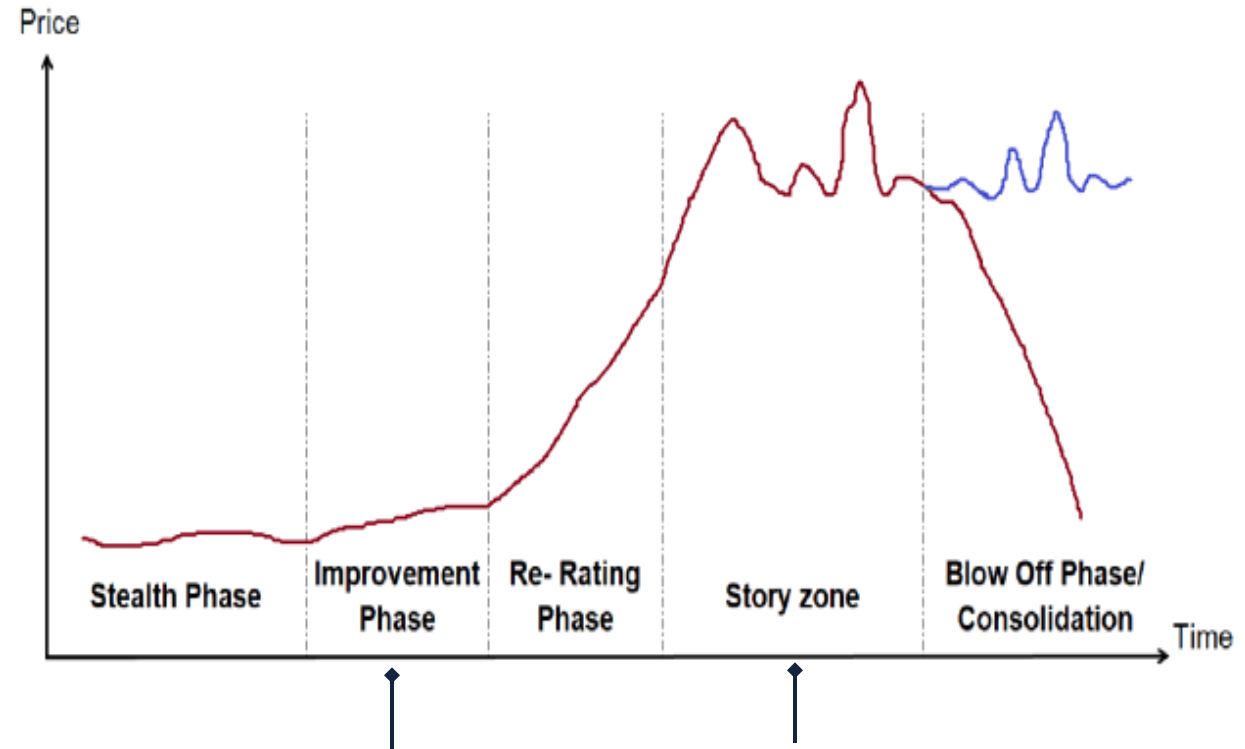
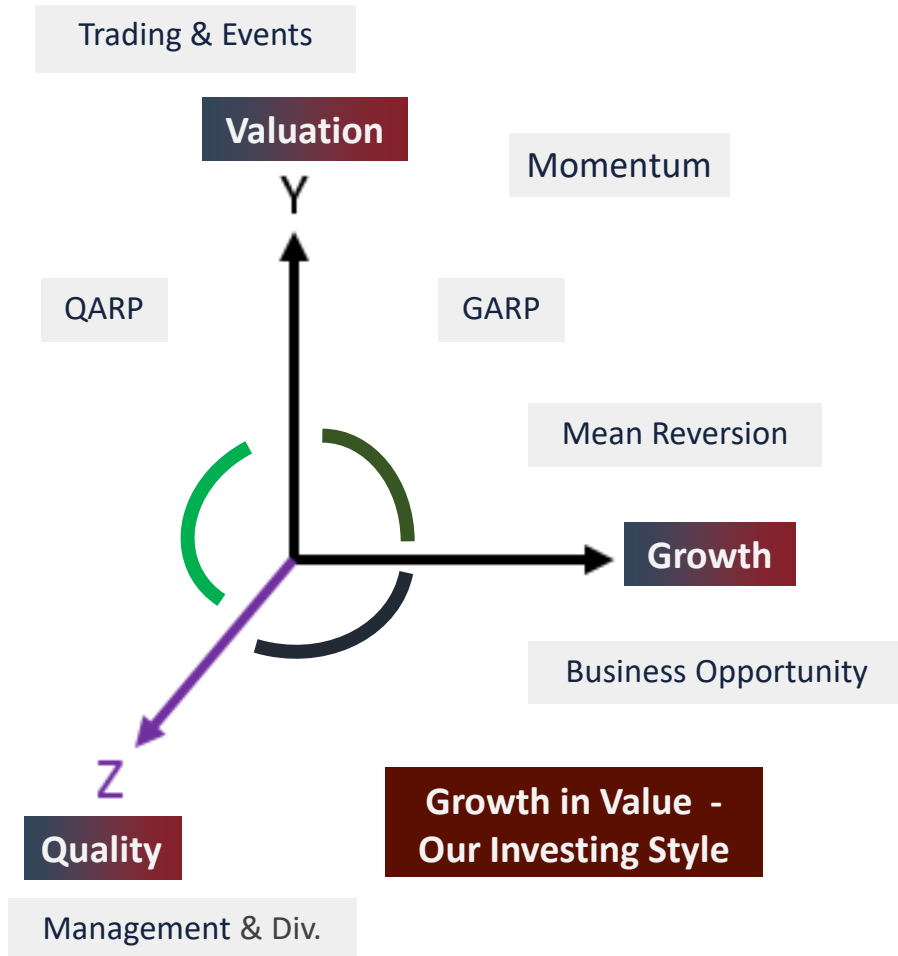
**Good Businesses**

- **GROWTH in VALUE** Biased Investment philosophy or style: suits developing economy and in built low risk zone
- **PRINCIPLE of LINEARITY**

**Good Businessmen**

- Past track record
- Present track record for future earnings

# 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.

# Good Businesses - From 2600 -> 200 -> 80: Quant assisting Quality

Maruti Suzuki	202003	201903	202103	2018	2017	2016	2015	2014	2013	2012
Net Sales	100,900	87,739	121,080	79,763	68,035	57,746	49,971	43,646	43,588	35,587
Sales growth%	15.0	10.0	20.0	17.2	17.8	15.6	14.5	0.1	22.5	(2.8)
Operating Profit	14,061.5	11,916.6	16,592.6	11,349	10,031	6,617	5,074	3,834	3,181	2,201
Operating Profit Growth%	18.0	5.0	18.0	13.1	51.6	30.4	32.3	20.5	44.5	(29.8)
Profit After tax	9,567	8,108	11,289	7,722	7,338	4,571	3,711	2,783	2,392	1,635
Profit After tax Growth%	18.0	5.0	18.0	5.2	60.5	23.2	33.4	16.3	46.3	(28.6)
Other Income				2,046	2,280	462	832	732	812	827
Dividend Paid Amt	738	625	870	-	-	1,057	755	363	242	217
NetWorth	58,070	49,240	68,489	41,757	36,171	27,007	23,704	20,978	18,579	15,187
Debt (All Borrowings)	563	563	563	111	484	231	516	1,824	1,389	1,230
Long term borrowings				-	-	-	145	460	543	-
Shortterm Borrowings				111	484	231	371	1,364	846	1,230
Gross Block				21,424	18,656	29,409	26,462	22,702	19,801	14,700
Capital Work In Progress				2,126	1,252	1,007	1,883	2,621	1,941	1,500
Investments				35,290	28,228	17,786	12,814	10,118	7,078	6,000
Working Capital				(8,627)	(6,152)	(4,783)	(3,251)	(1,396)	(140)	1,000
P/E	4.06	4.79	3.44	6.41	4.99	4.16	4.71	2.84	1.99	
ROE%	16.5	16.5	16.5	18.5	20.3	16.9	15.7	13.3	12.9	
ROCE%	16.3	16.3	16.3	18.4	20.0	16.8	15.3	12.2	12.0	
GPM%				31.1	31.3	32.7	29.8	28.2	25.3	
EBITDA%				14.2	14.7	11.5	10.2	8.8	7.3	
NPM%	9.5	9.2	9.3	9.7	10.8	7.9	7.4	6.4	5.5	
Total Asset Turnover (times)				1.9	1.9	2.1	2.1	1.9	2.2	
Debt / Equity				0.0	0.0	0.0	0.0	0.1	0.1	
Receivables to Turnover%				1.8	1.8	2.2	2.1	3.2	3.4	
Payables to Turnover%				17.4	16.9	16.0	14.2	14.0	12.0	
Inventory to Turnover%				4.0	4.8	5.4	5.4	3.9	4.2	
Net Cash from Operating Activities				11,785.0	10,284.7	8,433.1	6,320.7	4,903.6	4,301.1	
Net Cash from Investing Activities				(8,282.1)	(9,181.5)	(7,175.9)	(4,410.0)	(4,892.9)	(3,385.9)	
Net Cash from Financing Activities				(3,446.0)	(1,129.3)	(1,236.4)	(1,962.1)	(65.9)	(966.3)	
Cash+Current Investments				1,288	2,027	912	3,015	9,443	5,980	
Promoters %				56.2	56.2	56.2	56.2	56.2	54.2	
FII's %				30.9	30.3	31.0	21.8	21.5	23.0	
DII's %				5.7	6.5	6.1	14.7	14.0	14.0	
Others %				7.1	7.0	6.7	7.3	8.3	8.0	
Promoters - Pledge%				0.0	0.0	0.0	0.0	0.0		
Total Assets				43,480	37,782	27,662	24,618	23,239	20,400	
Inventories				3,161	3,262	3,132	2,686	1,706	1,100	
Debtors				1,462	1,199	1,299	1,070	1,414	1,100	
Other Current Assets( loans & Advances)				2,010	2,122	1,807	1,426	1,629	1,100	
Creditors				13,917	11,495	9,225	7,090	6,097	5,000	
Non current investments				34,073	26,215	16,913	9,818	1,305		
Short term/ current investments				1,217	2,014	873	2,996	8,813		
Cash				71	13	39	18	630		
EV	236,455.5	236,455.5	236,455.5	267,777.8	180,980.0	112,538.4	112,244.3	60,746.3	37,000.0	
Book value per share	1,922	1,630		1,382	1,197	894	785	694		
Cash per share				2	0	1	1	21		
P/E	24.7	29.1	20.9	34.67	24.60	24.58	30.11	21.40		
EV/SALES	2.3	2.7	2.0	3.36	2.66	1.95	2.25	1.39		

**Extensive Guide to 2600 companies' PL, BS, Holdings and Valuations over ~ 15 years**

- 130000+ Research Reports
- 5000+ Concalls
- 10000+ Mgmt Interview
- 5+ Yrs Guidance History

# Good Businessmen: Past + Present Track Record (for Future Earnings)

## 1. Our extensive Resource Base built over the years saves us from many of the simple mistakes of investing

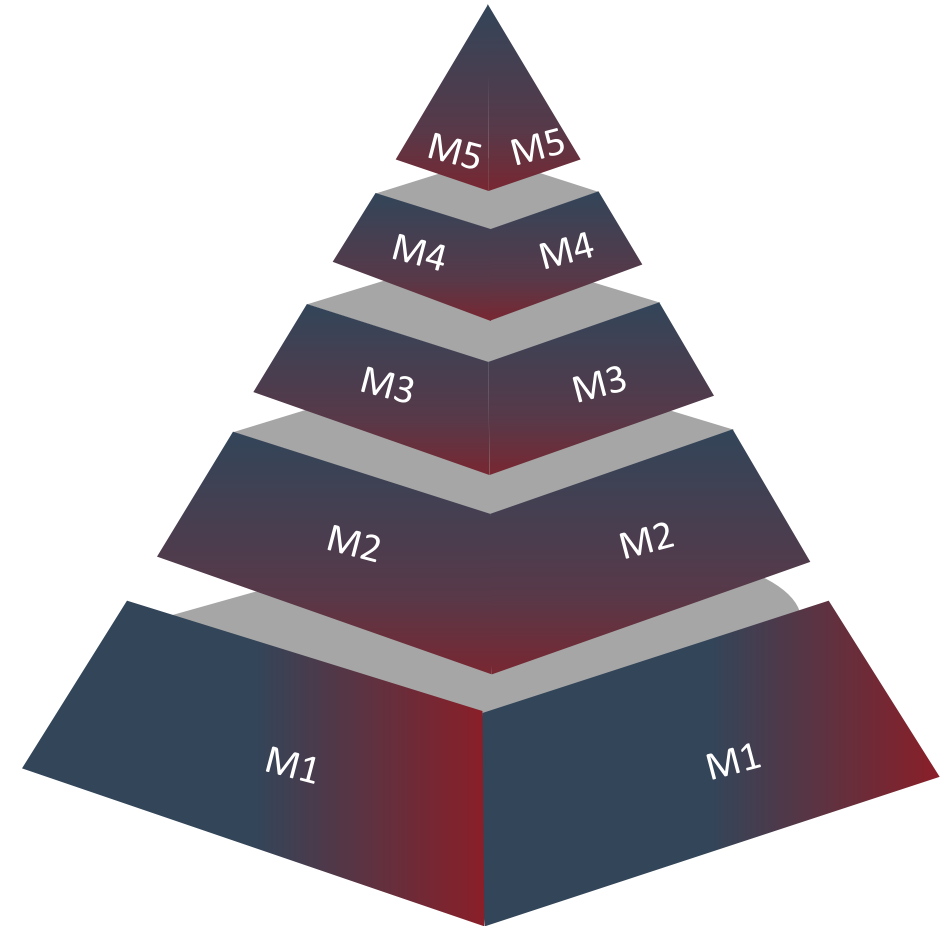
GUIDANCE FOR	MGMT NOTE
<b>Q2FY19</b>	
Awarding activity	The awarding of road projects by the NHAI has been slow during the first half as many companies are struggling for financial closure.
Revenue Guidance	The Revenue guidance for FY19 is around Rs 1800 Cr and for FY20 is Rs 2200-2300 Cr.
<b>Q1FY19</b>	
order inflow	FY20:- 20-25%, Management is expecting Rs.2000-2500 Cr of new order inflow in FY19,
NHAI cons target	Construction target of NHAI revised from 5800 km to 6000km
<b>Q4FY18</b>	
Equity Requirement	Equity Requirement is Rs.484 Cr and company is exploring various options.
Order Inflow	Expect to win 2500 Cr of new projects in FY19.
Bangladesh ORR	Bangladesh order has removed from order book.
<b>Q3FY18</b>	
L1	KNRCON stands in L1 of couple of HAM projects in state of Karnataka but will receive only one project worth of Rs.1150 Cr as per tender rules.
Bid Pipeline	Submitted bid for Bangalore Mysore road projects and waiting for bid opening. Delay in opening of bid from NHAI end.
Debt	Debt as on 31 <sup>st</sup> December 2017 was Rs.228 Cr
<b>Q1FY18</b>	
Order Inflow	Management expects to receive Rs.2000-2500 Cr in next 9 months time period.
Traffic Growth	Traffic should be go up on Muzaffarpur Barauni BOT project once company receive 100% CoD. Management expects 100% CoD in months time period.
<b>Q4FY17</b>	
Revenue	Management has guided for Rs.1700-1800 Cr and Rs.2000 Cr of top line in FY18 and FY19 respectively.
Debt	Gross debt as on 31st March 2017 on standalone books is Rs.144 Cr and out of this 120 Cr loan from promoter of the company..
<b>Q3FY17</b>	
EBITDA M	Maintain 13.5-14.5% margin
HAM projects	KNR bidding for 2 HAM projects in Karnataka (1000 Cr each) and EPC projects in Maharastrara
Debt	No increment in Debt in FY17 & FY18
<b>Q2FY17</b>	
Revenue & EBITDA	Management maintains revenue guidance of Rs. 1200 Cr plus with 13.5-14.5% of EBITDA
Debt	KNR infuse Rs.90 cr and Rs. 130 Cr in waiyay project respectively in Q2FY17 and H1FY17. Out of this promoter has put Rs. 40 Cr and balance part was funded by parent company.

## 2. Our Financial & Business Model goes beyond mere documentation of the books to know the vital facts. We deep dive into root level revenue driver along-with detailed subsidiary financials & each line of Schedule of Assets & Liabilities.

EPC Projects	State	Appt. Date	Project Cost Rs Cr	Mnth
Nagina-Kashipur (NHAI)	UP	28-Oct-17	1,156	30
Varanasi-Gorakhpur(NHAI)	UP	31-Mar-17	869	24
Aligarh-Moradabad (NHAI)	UP	26-Jan-17	645	24
Bhojpur-Buxar (NHAI)	Bihar	18-Apr-18	477	24
Koilwar-Bhojpur( NHAI)	Bihar	4-Jul-17	454	24
Nagpur Mumbai pkg-4	Maharashtra	Sep-18	2,099	30
Lucknow - Ghazipur pkg-5	UP	10-Oct-18	1,566	36
Lucknow - Ghazipur pkg-6	UP	10-Oct-18	954	36
Others			1,269	30
<b>Total EPS projects</b>			<b>9,489</b>	

EPC Projects	State	Appt. Date	Project Cost Rs Cr	Mnth	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19E	4QFY19E
Nagina-Kashipur (NHAI)	UP	28-Oct-17	1156	30		0	24	38	94	51	69	139
Execution %							2	3	8	4	6	12
Varanasi-Gorakhpur(NHAI)	UP	31-Mar-17	869	24		59	25	40	91	80	36	104
Execution %					7	3	5	10	9	4	8	12
Aligarh-Moradabad (NHAI)	UP	26-Jan-17	645	24	36	63	94	103	123	38	52	58
Execution %					6	10	15	16	19	6	8	9
Bhojpur-Buxar (NHAI)	Bihar	18-Apr-18	477	24		0	0	0	3	0	19	48
Execution %									1	-	4	10
Koilwar-Bhojpur( NHAI)	Bihar	4-Jul-17	454	24		-1	16	13	27	0	27	45
Execution %						(0)	4	3	6	-	6	10
Nagpur Mumbai pkg-4	Maharashtra	1-Sep-18	2099	30							42	126
											2	6
Lucknow - Ghazipur pkg-5	UP	10-Oct-18	1566	36							31	63
											2	4
Lucknow - Ghazipur pkg-6	UP	10-Oct-18	954	36							19	38
											2	4
Others			1269	30	162	55	141	234	78	137	41	41
Execution %					14	6	15	30	12	23	8	8
EPC Total Revenues					257	142	315	479	405	262	370	662

# Investment Decisions: M5 Research Framework that connects Macro seamlessly with Micro



# 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

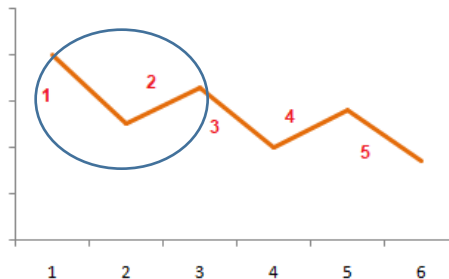
Under-performance with higher volatility on 2 consecutive market swings. If any of our portfolio stocks under performs for two consecutive swings and exhibits higher volatility, that stock gets marked for Sell/Review

04

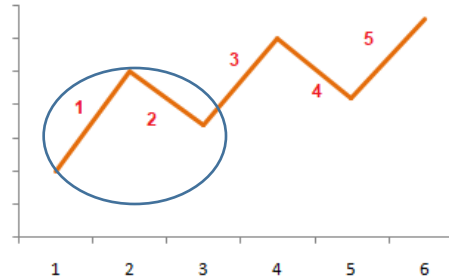
## FUNDAMENTAL QUADRANT – Q G V

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.

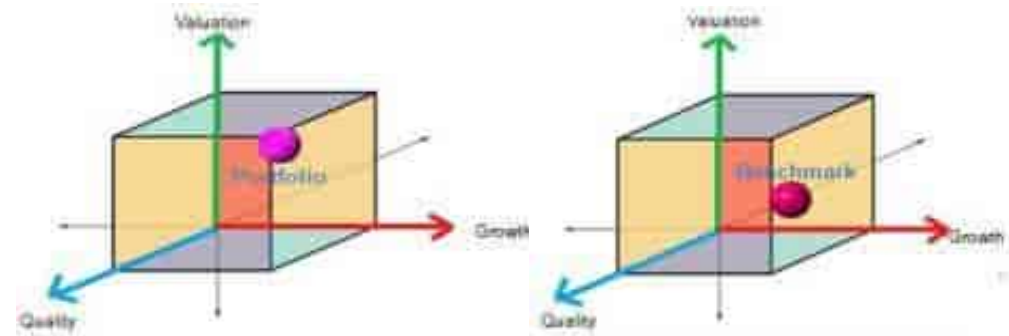
Bear Market



Bull Market



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



## Selection Decisions: Strategies at a Glance

	Large Cap	Mid & Small Cap	Multi Cap	New India
Fundamental Attributes				
Growth	15%+	24%+	20%+	25%+
Return on Equity	23%+	18%+	17%+	20%+
Valuation	High Margin of Safety 8.40%	High Margin of Safety 20.00%	Reasonable Margin of Safety 11.00 %	Reasonable Margin of Safety 22.50%
Portfolio Characteristics				
Diversification	Mid	Low	High	Low
Number of Stocks	16 (15-25)	22 (20-30)	20 (20-30)	18 (15-25)
% Assets in top 10 holdings	80%	58%	63%	66%
Returns Characteristics				
1 / 3 / 5 year Return (%) - Narnolia Strategies	58.9/21.5/17.2	70.7/ 35.8/ 23.8	62.2/ 23.6 / 19.4	53.5/ 23.0/ 19.6
Benchmark Return (%)	56.7/17.1/15.1	78.8/ 22.6/ 16.1	61.1/ 18.2/ 15.3	61.1/ 18.2/ 15.3
Risk (Std. Dev)(%)	18.0	19.6	17.6	17.6
Please note: The returns mentioned above are CAGR returns and are as on 30 <sup>th</sup> September 2021.				

# Top 10 Companies Holdings at a Glance

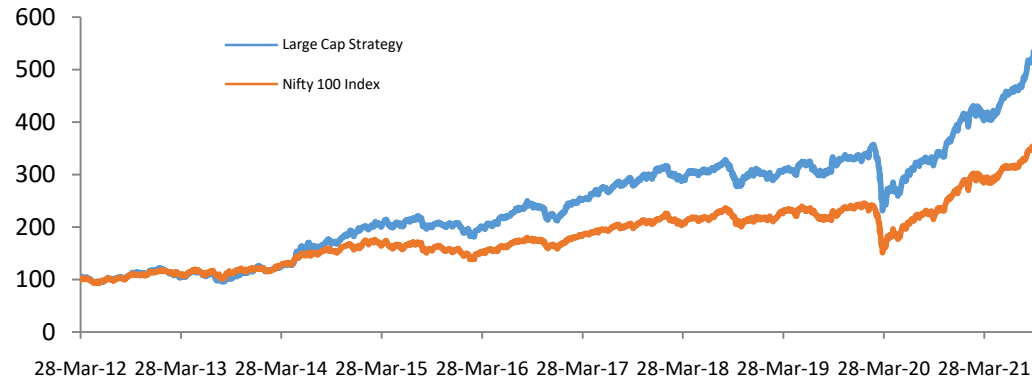
Large Cap Strategy			Mid & Small Cap Strategy			Multi Cap Portfolio			New India Portfolio		
Stock	Sector	Weight	Stock	Sector	Weight	Stock	Sector	Weight	Stock	Sector	Weight
TCS	Global	12%	WELSPUNIND	Industrial	7%	HDFCBANK	Financials	8%	ICICIBANK	Financials	9%
DMART	Consumers	10%	ESCORTS	Consumers	6%	RELIANCE	Industrial	8%	SBIN	Financials	8%
RELIANCE	Industrial	9%	VMART	Consumers	6%	SBILIFE	Financials	7%	SBILIFE	Financials	7%
HDFCBANK	Financials	9%	TATAELXSI	Global	6%	INFY	Global	7%	ESCORTS	Consumers	7%
LT	Industrial	8%	AJANTPHARM	Global	6%	TECHM	Global	6%	HCLTECH	Global	7%
BAJFINANCE	Financials	7%	ZYDUSWELL	Consumers	6%	SBIN	Financials	6%	ISEC	Financials	6%
MCDOWELL-N	Consumers	7%	NAZARA	Global	6%	ICICIBANK	Financials	6%	BRITANNIA	Consumers	6%
ISEC	Financials	7%	ISEC	Financials	6%	TATAELXSI	Global	5%	KNRCON	Industrial	5%
APOLLOHOSP	Consumers	6%	NH	Consumers	5%	WELSPUNIND	Industrial	5%	NAZARA	Global	5%
ICICIBANK	Financials	5%	BALKRISIND	Consumers	5%	BHARTIARTL	Industrial	5%	MCDOWELL-N	Consumers	5%



# 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.

Portfolio Attributes		Price Performance Vs Benchmark (September 2021)		
Fundamental			Large cap Portfolio	Nifty 100
Growth #	15.5%	1 month	3.3	2.7
Return On Equity @	23.4%	3 months	14.9	11.8
Valuation ^	8.4%	6 months	26.6	20.5
Holdings		1 Year	58.9	56.7
No of Stocks	16	2 Years	26.7	24.0
% Assets in top 10 holdings	80%	3 years	21.5	17.1
% Assets in Next 5 holdings	17%	4 Years	17.0	15.2
		5 Years	17.2	15.1
		7 years	17.3	12.3
		Since Inception (28 <sup>th</sup> March 2012)	19.0	14.1
Please note:1mth/3mth/6mth/1yr - ABSOLUTE returns & the rest -CAGR returns				

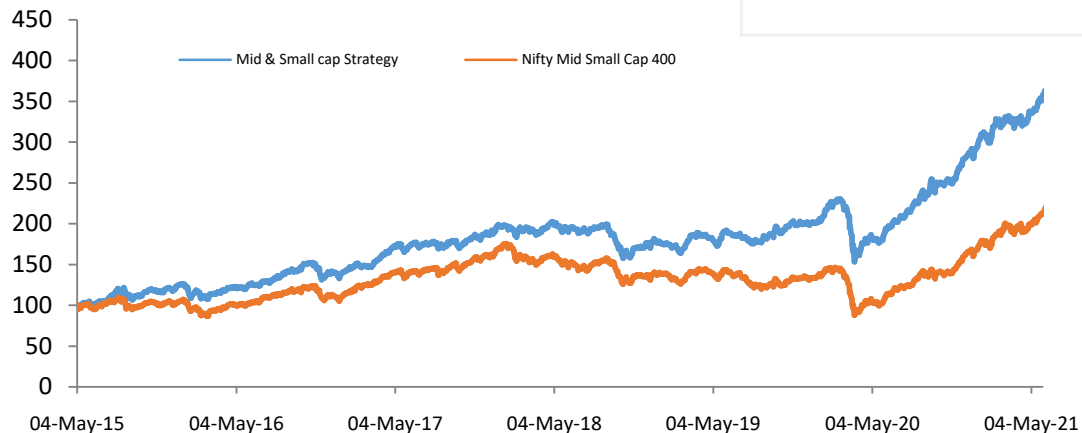


*Rs.1 crore invested in Large cap Strategy at inception is worth Rs.5.2Cr. as on 30<sup>th</sup> September 2021. For the same period Rs.1 Cr. invested in Nifty 100 Index is now worth Rs.3.5 Cr.*

# Mid & Small Cap Strategy

**Mid and Small Cap** Strategy as the name suggests comprises of companies that are mostly past 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.

Portfolio Attributes		Price Performance Vs Benchmark (September 2021)		
Fundamental			Mid & Small Cap Portfolio	Nifty Mid-Small 400
Growth #	24.9%	1 month	4.5	5.9
Return On Equity @	18.4%	3 months	12.7	11.3
Valuation ^	20.0%	6 months	30.1	28.8
Holdings		1 Year	70.7	78.8
No of Stocks	22	2 Years	48.4	39.5
% Assets in top 10 holdings	58%	3 years	35.8	22.6
% Assets in Next 5 holdings	21%	4 Years	25.2	14.6
		5 Years	23.8	16.1
		Since Inception (4 <sup>th</sup> May 2015)	25.2	15.3
		Please note:1mth/3mth/6mth/1yr - ABSOLUTE returns & the rest -CAGR returns		

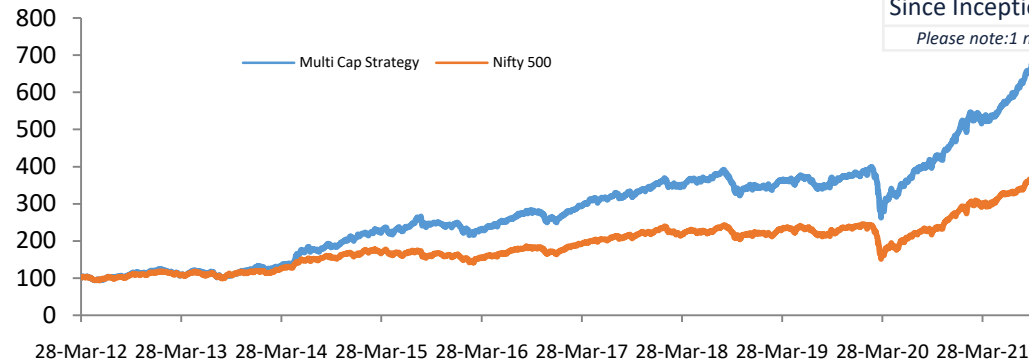


Rs.1 crore invested in Mid & Small cap Strategy at inception is worth Rs`4.2 Cr. as on 30<sup>th</sup> September 2021. For the same period Rs.1 Cr. invested in Nifty Mid & Small 400 Index is now worth Rs.2.4Cr.

# Multi Cap 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.

Portfolio Attributes		Price Performance Vs Benchmark (September 2021)		
Fundamental			Multi-Cap	Nifty 500
Growth #	20.1%	1 month	3.5	3.4
Return On Equity @	17.0%	3 months	15.1	11.7
Valuation ^	11.0%	6 months	26.4	22.2
Holdings		1 Year	62.2	61.1
No of Stocks	20	2 Years	35.0	26.9
% Assets in top 10 holdings	63%	3 years	23.6	18.2
% Assets in Next 5 holdings	21%	4 Years	20.3	15.0
		5 Years	19.4	15.3
		7 years	20.0	13.0
		Since Inception (28 <sup>th</sup> March 2012)	22.1	14.6
Please note: 1 mth/3mth/6mth/1yr - ABSOLUTE returns & the rest - CAGR returns				



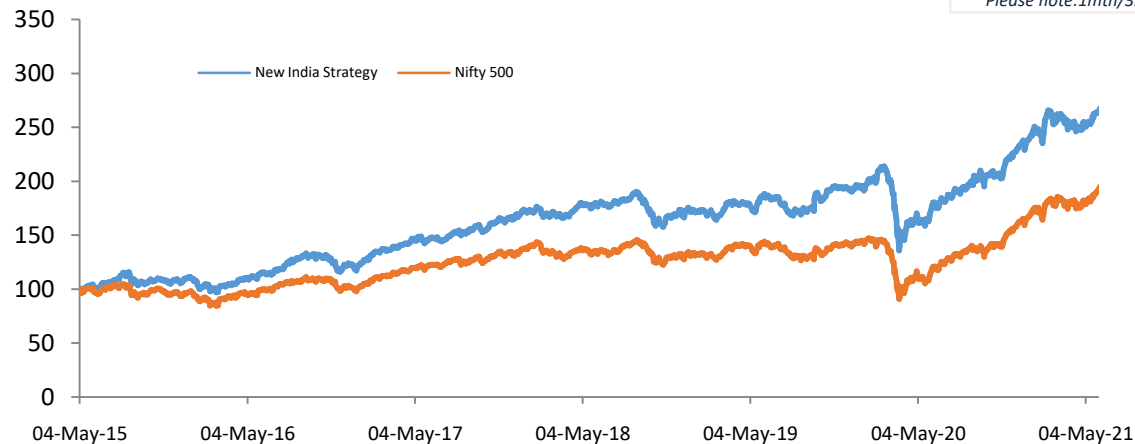
Rs.1 crore invested in Multi Cap Strategy at inception is worth Rs.6.6Cr. as on 30<sup>th</sup> September 2021. For the same period Rs.1 Cr. invested in Nifty 500 Index is now worth Rs.3.6 cr.

# New India 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

Portfolio Attributes		Price Performance Vs Benchmark(September 2021)		
Fundamental			New India	Nifty 500
Growth #	25.0%	1 month	3.8	3.4
Return On Equity @	20.6%	3 months	15.2	11.7
Valuation ^	22.5%	6 months	24.5	22.2
Holdings		1 Year	53.5	61.1
No of Stocks	18	2 Years	30.1	26.9
% Assets in top 10 holdings	66%	3 years	23.0	18.2
% Assets in Next 5 holdings	23%	4 Years	19.7	15.0
		5 Years	19.6	15.3
		Since Inception (4 <sup>th</sup> May 2015)	19.6	13.0

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. 3.1Cr. as on 30<sup>th</sup> September 2021. For the same period Rs.1 Cr. invested in Nifty 500 Index is now worth Rs.2.1 Cr.*

# 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.

## 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 Services 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®

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