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DYNAMIC ASSET ALLOCATION PORTFOLIOS

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Surat, Gujarat, India.

INDIA'S ONE OF THE LARGEST NETWORK OF FINANCIAL PRODUCTS DISTRIBUTION



NJ Started in 1994



1,400+ Employees



32,000+ NJ Partners



25 lacs+ Customers



65,000+ ₹ Crore AUA



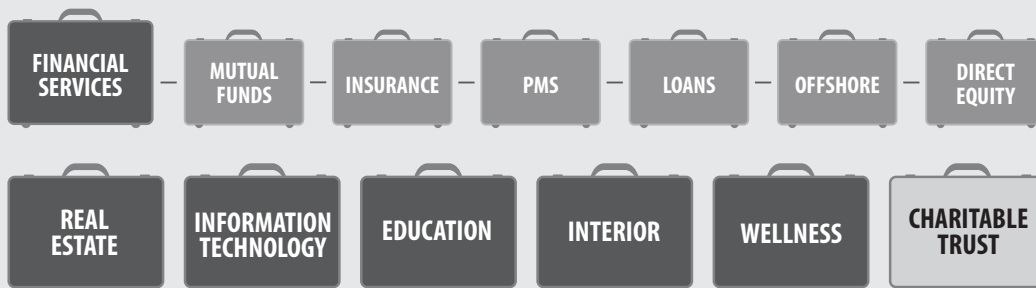
Present in 3 Countries

*As on 2018

Welcome to NJ Group

An emerging, evolving and enterprising group expanding into newer horizons with great passion & belief. Headquartered in Surat, Gujarat, has business presence in diverse sectors, through 96 offices across India.

NJ Group is a leading player in the Indian financial services industry known for its strong distribution capabilities.



ABOUT NJ PMS

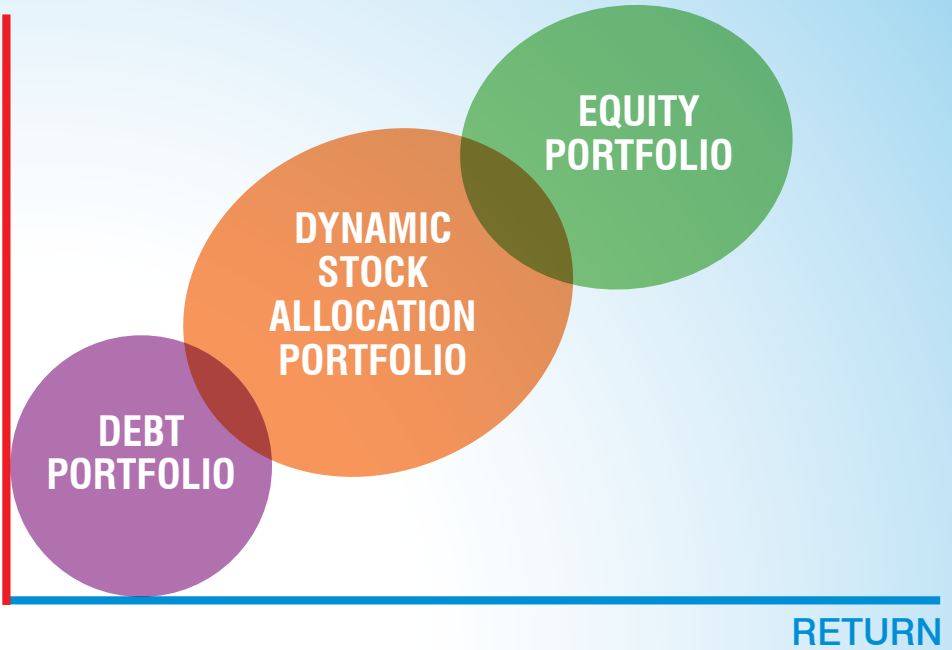
- 📍 The NJ PMS business was started in the year 2010
- 📍 The total corpus under NJ PMS is currently INR 850 Cr +
- 📍 NJ PMS currently offers multiple investment strategies under Dynamic Asset Allocation Portfolios and Equity Portfolios
- 📍 The core of the portfolio management is based on the rules based investing

POSITIONING



WE TACTICALLY MANAGE
ASSET ALLOCATION
TO ENDEAVOR BETTER RISK
ADJUSTED RETURN

RISK



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CHARACTERISTICS



- ▲ Our Process forecasts not just **RETURNS** but also **RISK**
- ▲ When market risk is low, portfolio is returns oriented
- ▲ When market risk is high, focus is on risk reduction

CHARACTERISTICS



- ▲ Deciding Asset Allocation through quantitative analysis by a mathematical model
- ▲ No reliance on instinct and emotions in the decision making process
- ▲ Follows a disciplined rule based investment approach and execution of model without deviations
- ▲ Model is tested across various market cycles and long time horizons
- ▲ System is set in a such way to have lower exit loads at the time of rebalancing

BACK TESTING PERFORMANCE OF DYNAMIC ASSET ALLOCATION MODEL



MODEL ON NIFTY 500 TRI	1 YEAR ROLLING	3 YEAR ROLLING	5 YEAR ROLLING	10 YEAR ROLLING
NO. OF OBS.	151	127	103	43
AVERAGE RETURN	17.42	12.64	12.88	12.47
NO. OF OBS. WITH NEGATIVE RETURNS	26	6	0	0
MAXIMUM RETURN	100.80	38.30	24.93	17.52
MINIMUM RETURN	-52.69	-3.41	1.47	7.91
NO. OF OBS. WITH RETURNS >15%	72	46	40	6

NIFTY 500 TRI	1 YEAR ROLLING	3 YEAR ROLLING	5 YEAR ROLLING	10 YEAR ROLLING
NO. OF OBS.	151	127	103	43
AVERAGE RETURN	17.14	11.30	11.77	11.17
NO. OF OBS. WITH NEGATIVE RETURNS	33	9	2	0
MAXIMUM RETURN	100.73	37.82	22.69	16.33
MINIMUM RETURN	-56.54	-6.28	-1.23	7.12
NO. OF OBS. WITH RETURNS >15%	74	39	35	4

- ▲ Above data is based on DAA Aggressive portfolio allocations; Returns are on a CAGR basis;
- ▲ Nifty 500 TR along with bank fixed deposit rates are considered; Data is for Apr 2005 to Oct 2018
Past performance may or may not sustain in future. (source: NSE & RBI)

MODEL ASSET ALLOCATION TIMELINE



DATE	EQUITY	DEBT	NIFTY 500 TR
28/02/06	100	0	3375.15
28/02/07	100	0	4007.34
29/02/08	80	20	5692.94
28/02/09	100	0	2799.86
28/02/10	100	0	5529.01
28/02/11	90	10	5744.78
28/02/12	80	20	5848.67
28/02/13	100	0	6198.24
28/02/14	85	15	6795.74
28/02/15	45	55	10244.87
28/02/16	80	20	8332.74
28/02/17	60	40	11163.37
28/02/18	25	75	13585.49

▲ Asset Allocation time-line is shown for a yearly basis although asset allocation is done on a half yearly basis

DYNAMIC STOCK ALLOCATION PORTFOLIO (DSAP)

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OBJECTIVE & STRATEGY

- ▲ The investment objective is to provide long term capital appreciation with lower volatility through dynamically managed portfolio of equity and debt securities

The proposed investment strategy is summarized below:

- ➔ Optimise Returns through proper Asset Allocation of Equity and Debt asset classes from time to time
- ➔ Seeks to invest in Large-cap and Mid-cap stocks. Currently, IISL Alpha 50 index is used for the universe of the equity portfolio. Selection of 20-30 stocks from the universe of 50 stocks based on
 - ▶ Superior Alpha
 - ▶ High Stock Liquidity
- ➔ Lower credit risk, volatility, exit charges are important parameters on which debt schemes are selected; Equity Arbitrage Funds are considered as debt asset on account of their characteristics of low volatility low return and their structure

PORTFOLIO PERFORMANCE OF DSAP (BACKTESTING)

PERIOD	DSAP		NIFTY 500 TRI	
	RETURN	VOLATILITY	RETURN	VOLATILITY
1 YR	-2.22	2.72	-3.17	4.62
2 YRS	7.40	2.49	9.39	4.21
3 YRS	10.70	2.57	10.40	4.38
5 YRS	19.55	2.72	14.04	4.18
10 YRS	23.56	6.65	16.00	5.87
SINCE INCEPTION	18.90	8.02	13.75	6.92

- ▲ Performance is as on 31 Oct., 2018; Calculated on a CAGR basis
- ▲ Performance is based on back tested data and is post fees and expenses
- ▲ Inception Date of the back-testing portfolio is 01 April 2005
- ▲ Fees is considered as 2% of management fees, other charges and GST
- ▲ Past performance may or may not sustain in future
- ▲ Above quant is effective from 01 March 2017



PORTFOLIO PERFORMANCE OF DSAP (BACKTESTING)

DSAP	1 YEAR ROLLING	3 YEAR ROLLING	5 YEAR ROLLING	10 YEAR ROLLING
NO. OF OBS.	151	127	103	43
AVERAGE RETURN	24.54	17.77	18.59	17.84
NO. OF OBS. WITH NEGATIVE RETURNS	30	7	0	0
MAXIMUM RETURN	198.13	44.01	33.69	23.56
MINIMUM RETURN	-63.25	-12.79	4.59	13.03

NIFTY 500 TRI	1 YEAR ROLLING	3 YEAR ROLLING	5 YEAR ROLLING	10 YEAR ROLLING
NO. OF OBS.	151	127	103	43
AVERAGE RETURN	17.14	11.30	11.77	11.17
NO. OF OBS. WITH NEGATIVE RETURNS	33	9	2	0
MAXIMUM RETURN	100.73	37.82	22.69	16.33
MINIMUM RETURN	-56.54	-6.28	-1.23	7.12

- ▲ Returns are on a CAGR basis; Data is for Apr 2005 to Oct 2018
- ▲ Performance is based on back tested data and is post fees and expenses
- ▲ Inception Date of the back-testing portfolio is 01 April 2005
- ▲ Fees is considered as 2% of management fees, other charges and GST
- ▲ Past performance may or may not sustain in future
- ▲ Above quant is effective from 01 March 2017





DYNAMIC ETF ALLOCATION PORTFOLIO (DEAP)

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OBJECTIVE & STRATEGY

- ▲ The investment objective is to provide long-term capital appreciation with relatively lower volatility through a dynamically balanced portfolio of equity and debt securities

The proposed investment strategy is summarized below:

- ➔ Optimise Returns through proper Asset Allocation of Equity and Debt asset classes from time to time
- ➔ Selecting consistently better performing ETFs and debt mutual fund schemes
- ➔ Lower credit risk, volatility, exit charges are important parameters on which debt schemes are selected; Equity Arbitrage Funds are considered as debt asset on account of their characteristics of low volatility low return and their structure

PORTFOLIO PERFORMANCE OF DEAP (BACKTESTING)

PERIOD	DEAP		NIFTY 500 TRI	
	RETURN	VOLATILITY	RETURN	VOLATILITY
1 YR	2.46	1.11	-3.17	4.62
2 YRS	8.47	1.41	9.39	4.21
3 YRS	12.63	2.26	10.40	4.38
5 YRS	16.07	2.75	14.04	4.18
10 YRS	19.73	5.85	16.00	5.87
SINCE INCEPTION	15.97	6.91	13.75	6.92

- ▲ Performance is as on 31 Oct 2018; Calculated on a CAGR basis
- ▲ Performance is post fees and expenses
- ▲ Back tested data is calculated on Nifty 50 TR(25%), and Nifty Next 50 TR (75%)
And Bank FD till 31 March, 2018 then after actually portfolio is considered for calculating performance
- ▲ Fees is considered as 0.5% of management fees, other charges and GST
- ▲ Inception Date of the backtesting portfolio is 01 Apr 2005
- ▲ Past performance may or may not sustain in future



PORTFOLIO PERFORMANCE OF DEAP (BACKTESTING)

DEAP	1 YEAR ROLLING	3 YEAR ROLLING	5 YEAR ROLLING	10 YEAR ROLLING
NO. OF OBS.	151	127	103	43
AVERAGE RETURN	19.80	14.33	14.84	14.29
NO. OF OBS. WITH NEGATIVE RETURNS	27	8	0	0
MAXIUM RETURN	139.11	36.63	26.04	19.73
MINIMUM RETURN	-58.74	-6.63	3.16	9.55

NIFTY 500 TRI	1 YEAR ROLLING	3 YEAR ROLLING	5 YEAR ROLLING	10 YEAR ROLLING
NO. OF OBS.	151	127	103	43
AVERAGE RETURN	17.14	11.30	11.77	11.17
NO. OF OBS. WITH NEGATIVE RETURNS	33	9	2	0
MAXIUM RETURN	100.73	37.82	22.69	16.33
MINIMUM RETURN	-56.54	-6.28	-1.23	7.12

- ▲ Returns are on a CAGR basis; Data is for Apr. 2005 to Oct 2018
- ▲ Performance is post fees and expenses
- ▲ Back tested data is calculated on Nifty 50 TR(25%), and Nifty Next 50 TR (75%) And Bank FD till 31 March, 2018 then after actually portfolio is considered for calculating performance
- ▲ Fees is considered as 0.5% of management fees, other charges and GST
- ▲ Inception Date of the backtesting portfolio is 01 Apr 2005
- ▲ Past performance may or may not sustain in future



NJ PMS - PRODUCT FEATURES

SR. NO.	STRATEGIES	UPFRONT FEES*	MANAGEMENT FEES PA.*
1	Dynamic Stock Allocation Portfolio	Upto 1%	INVESTMENT < 2 CRORES : 2.5% INVESTMENT ≥ 2 CRORES : 2.0% INVESTMENT ≥ 10 CRORES :1.2%
2	Dynamic ETF Allocation Portfolio	NIL	INVESTMENT < 2 CRORES : 1.0% INVESTMENT ≥ 2 CRORES : 0.5% INVESTMENT ≥ 10 CRORES :0.3%



COMMON FEATURES	
Minimum Investment per client	₹ 25.25 Lacs and mutiple of Re.1 thereafter
Minimum Investment per strategy	₹ 5 Lacs and mutiple of Re.1 thereafter
Mode of Investment	Through cheque / RTGS
Exit Fees	2% on withdrawal amount if redeemed before 1 year
Audit Fees#	₹ 500 p.a.*

*Exclusive of GST of 18%; #can change time to time

THANK YOU



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Disclaimer: (IISL Alpha 50 Index)

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 **PORTFOLIO
MANAGEMENT
SERVICES**