Narnolia® | R. Wadiwala

INVESTMENT ADVISORY PORTFOLIO - EQUITY

March 2023

ABOUT NARNOLIA

➢ Narnolia Group was founded in 1997 and it is celebrating its Silver Jubilee in 2021-22.

➢ **India's Oldest Investment Advisory Product Manufacturers** with a track record of 18 yrs of research & 12 yrs of real-time performance, not based on any hypothetical back-tested data.

➢ Recognized as the **2nd Largest Registered Investment Advisor (RIA) of the Country, 2020-21 -** by BSE STAR & Associates.

➢ **Industry Leading Performance: Narnolia Multi-Cap PMS Strategy Rated 4 Star, by CRISIL for 2020-21 & 2021-22 and Best PMS on 5 year Performance across all Categories: Rank 2 from IIM - Ahmedabad.**

   ● Absolutely, Relatively & Consistently (ARC) - Generated over 20% absolute return with 10% Alpha over the last 12 years.

   ● Performance by Design, not by Chance. Country's largest research team of 30 analysts, truly process-driven (112 sub-processes), Promoter led, Growth-in-value Philosophy, 360∗5M Research parameters (Risk Management)

➢ **Industry Leading Network:** > 40 National & Regional brokers, Large and prestigious institutions.

➢ Not a single complaint lodged against these products of the firm with any of the regulators since inception.

Prestigious Recognitions

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

2nd Largest Registered Investment Advisor (RIA) of the Country, 2020-21
Awarded by BSE Star & Associates

Narnolia Multi-Cap PMS Strategy Rated 4 Star, 2020-21 & 2021-22
by CRISIL

Best PMS on 5 Year Performance Across All Categories - Rank 2 On Risk Adjusted Rolling Returns
By IIM Ahmedabad, 2022

PERFORMANCE

Calendar Year wise Performance								
Calendar Year	RW Industry Leaders	Nifty 100	RW Unnati	Nifty Mid & Small Cap 400	RW Shreyas Minni	Nifty 500	RW 5Tx5T	Nifty 500
2010	36.3	17.9	-	-	31.1	14.1	-	-
2011	-22.7	-25.8	-	-	-21.1	-27.2	-	-
2012	44.0	30.6	-	-	35.8	31.8	-	-
2013	3.3	6.5	-	-	7.1	3.6	-	-
2014	68.7	33.2	91.4	63.2	60.3	37.8	64.8	37.8
2015	25.9	-2.4	37.9	9.0	16.3	-0.7	16.4	-0.7
2016	15.6	3.6	14.5	3.8	3.1	3.8	8.6	3.8
2017	36.9	31.0	67.3	55.3	34.9	35.9	39.1	35.9
2018	-8.2	1.1	-25.1	-18.0	-4.7	-3.4	-2	-3.4
2019	8.0	10.4	0.3	-2.9	17.8	7.7	19.5	7.7
2020	22.8	14.9	37.2	24.6	24.3	16.7	25.3	16.7
2021	35.2	25.0	43.6	51.3	40.6	30.2	41.2	30.2
2022	-1.2	3.6	-9.5	0.9	-0.2	3.0	-3.9	3.0
2023	-3.6	-6.4	-2.8	-4.6	-4.3	-6.0	-3.5	-6.0

Inception date for Industry Leaders and NS Multi Cap is 1st October 2009 and for NS Mid & Small Cap & NS 5Tx5T is 1st April 2013 so returns are calculated accordingly and for calendar Year 2023, as on as on 28th February 2023, not full year

Superior Performance Across Market Cycles									
Period	Market Cycle	RW Industry Leaders	Nifty 100	RW Unnati	Nifty Mid & Small Cap 400	RW Shreyas Mini	Nifty 500	RW 5Tx5T	Nifty 500
Aug 2013 - Jan 2018	Bull Phase	38.6	17.0	54.4	30.6	30.4	19.3	33.0	19.3
Feb 2018 - Feb 2023	Bear Phase	8.1	8.3	5.6	8.1	12.6	8.3	13.1	8.3
1st Jan 2020 - 23rd March 2020	Bear Phase	-31.7	-37.1	-31.3	-35.4	-36.5	-36.8	-32.0	-36.8
23rd March 2020 - 28th Feb 2023	Bull Phase	131.4	121.3	152.1	180.8	163.0	132.6	138.0	132.6

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

INVESTMENT PHILOSOPHY

Narnolia follows the 'growth in value' investment philosophy and has demonstrated a successful track record measured in terms of superior risk adjusted return over a long period. Quality always prevails. Along with quality, in a growing economy like India where on every production or consumption parameter upside potential is still 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.

As explained briefly hereunder, this philosophy supported by the principle of linearity, 360 degree 5-M research framework and the risk management framework, one of the most comprehensive techniques, has helped us to generate superior risk adjusted return on an absolute, relative and consistent basis- not just by chance but by design:

1	**2**	**3**	**4**
Principle Of Growth In Value	Principle of Linearity	360 Degree 5-M Research Process	Risk Management Framework
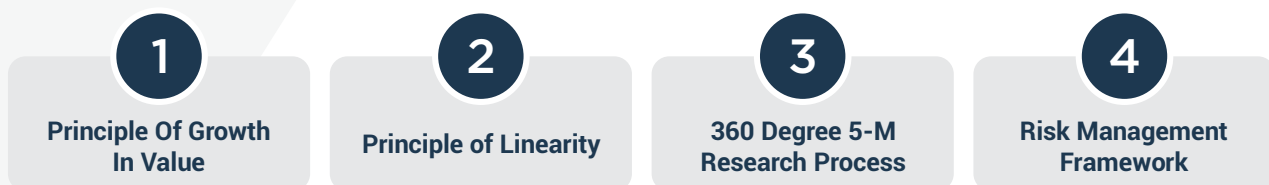
1 PRINCIPLE OF GROWTH IN VALUE

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.
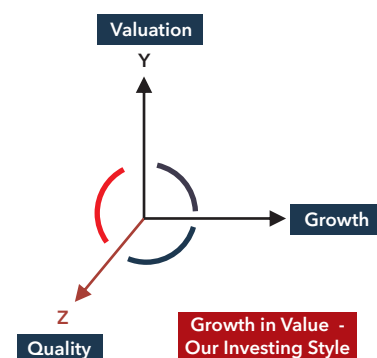

2 PRINCIPLE OF LINEARITY

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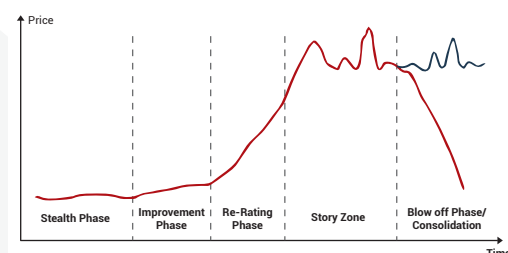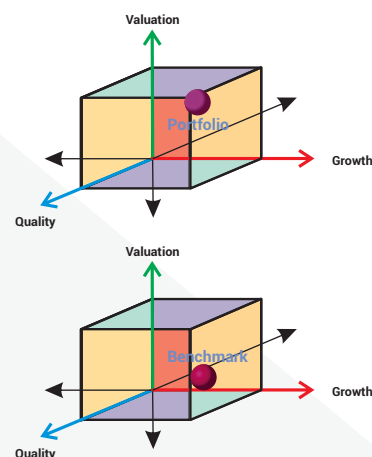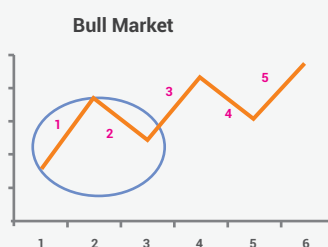
Investment Decisions:
M5 Research Framework that connects Macro seamlessly with Micro

M5 — Multiples
Valuation Envelop 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
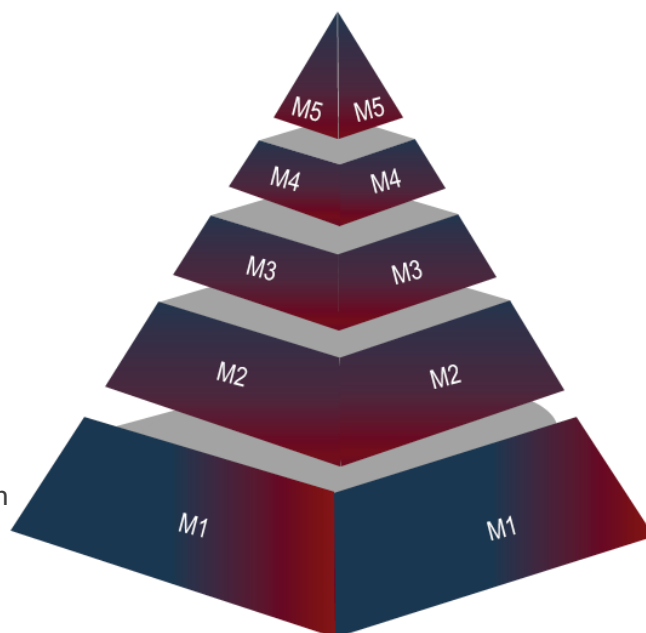
4 Pillars of Risk Management Framework

01 — Stock Limit
Limits on Maximum weightage on single stock

02 — Sector Limit
Limits on Maximum weightage on single sector

03 — Stock Review
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
Limits on Maximum weightage on single sector

Bear Market

Bull Market

INVESTMENT PROCESS
WITH WELL DEFINED 5 STAGES & 112 SUB PROCESSES

Creating our Investment Universe	Approved 'Analysis' List Preparation (Involves Financial modeling)	Focused 'BUY' List Preparation (involves Business Modelling)	Buying in Portfolio (involves Decision Modelling)	Tracking & Risk Control
■ Data analytics on over 2600 Listed Sectors & liquidity	■ Analyzing each company's valuation, growth & financial history of last 10 years	■ Rigorous bottom up fundamental analysis of companies	■ Summarizing Financial & Business Modelling Templates	■ News /Event impact tracking on investment thesis
■ Grouping of stocks into 4 Caps, 10 filters	■ Selecting Stocks with potential of showing linear improvements in their ROE/ Cash Flow	■ Involves 360 degree 5-M Research process	■ Building Trackables & Forecasting Future Financials	■ Risk Assessment
■ Regularly: Analysis of Information & Quarterly Results			■ Thesis Building & Allocation Results	■ Price-Swing Analysis

As a result of our wide coverage of 2600 stocks & 112 sub- processes and proprietary data base of businessmen, evolved over the years, we are able to generate superior risk adjusted returns. We use quant for elimination only and not for selection.

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

Extensive Guide to 2600 companies' PL, BS, Holdings & 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)

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

GUIDANCE FOR	MGMT NOTE
2QFY22	
CAPEX	Capex of Rs 150 cr for plant machinery and equipment is expected.
DEBT	Standalone debt was around Rs 100 Crs as on H1FY22 which has been repaid as of now.
REVENUE, EBITDA	Company guided Rs 3000 cr of revenue for FY22 and margin to be around 18-19%.
ORDER INFLOW	Expects order inflow of Rs 2000-2500 Crs for FY22.
1QFY22	
ORDER INFLOW	Expects Rs 2000-3000 cr of order inflow for FY22.
TOPLINE	Management guided topline to be around Rs 3400 cr for FY22.
MARGIN	EBITDA margin(STANDALONE) guidance stands at 17-18% for FY22.
TAX, DEP	Tax rate guidance stands at 27% while Depreciation guidance is Rs 120-130 cr for FY22.
CAPEX	Capex guidance for FY22 is Rs 140-150 cr out of which Rs 42 cr has been done in Q1FY22.
Q4FY21	
ORDER INFLOW	Bidding of 4-5 projects are undergoing and and average ticket size is Rs 1000cr. Management expects order inflow of around Rs 3000-4000 in FY22.
CAPEX	Management guided Capex to be around Rs 100-130 cr in FY22.
MARGIN	Management guided margin to be around 14-15% in FY22 due to hike in raw material prices.
Q3FY21	
Revenue	Revenue guidance of Rs 2500 cr for FY21 and expects growth in revenue of 15-20% in FY22.
Order Book	YTD Company has received 4000 cr of order inflow. Company will be completing 3 HAM projects by June and is expecting to get another Rs 3000-4000 cr of order by March. The total order book by year end is expected to be around Rs 10000 cr.
Capex	Capex in 9MFY21 is around Rs 60 cr and by year end total capex would be around Rs 100 cr. For FY22 , company plans Capex of Rs 100-120 cr.
Q2FY21	
Order Inflow	The company is expecting 2000 to 2500 Cr order inflow in the 2HFY21.
Order Book	The company is expecting to add 3000Cr order to the order book.
Capex	Capex - 35Cr in 2QFy21 and total CAPEX is 100-120 Cr for FY21.
Depreciation	The management expecting that the depreciation will increase in 3QFY21 and 4QFY21 which may be around 40 Cr.
Q1FY21	
NHAI Awarding	NHAI ordering has picked up in June. Till July 460 Km of orders have been awarded against target 4500 Km for FY21.
Appt. Date	Company has completed financial closer of Oddanchatram Madathukulam HAM project on 22nd May 2020 and expected appointment date in first week of September.
Equity Requirment	Total equity requirement in all HAM projects Rs 624.28 Cr of which Rs 223.49 Cr has already been invested. Balance equity will be invested over the period of 3 years with Rs 250 in FY21, Rs 110 Cr in FY22 and Rs 40.79 Cr FY23.
Order Inflow	Expecting Rs 2000 Cr inflow for FY21. 1QFY21 order inflow was Rs 2300 Cr of 2 Irrigation inflow
Q3FY20	
Revenue Guidance	Revenue growth will be 10-15% in FY21 based on the current order book.
EBITDA M	EBITDA M will remain in the range of 18-19%.
Order Inflow	Management is targeting Rs 1000-1500 Cr order inflow in the Q4FY20 and around Rs 2000 Cr of new orders in FY21. Targeting 2 HAM and 1 irrigation projects in the Q4FY20. Management is confident to get 2 road projects.
Debt	Debt will be remaining at level of 330 Cr at the end of the FY20.
Q2FY20	
Revenue Guidence	Management expects revenue of Rs 2300-2400 Cr in FY20 and Rs 2600-2700 Cr in FY21
EBITDA M	EBITDA margin is expected to be 17-18%
Capex	CapEx done in H1FY20 is Rs 140 Cr. 93 Cr capex was done for Irrigation and balance Road. Total Capex of Rs 200 Cr will be done in FY20. In FY21 it will be Rs 100-120 Cr.
Q1FY20	
Revenue Guidance	Management expects revenue of Rs 2400 Cr in FY20. Irrigation projects are likely to contribute around Rs 500-600 Cr in revenue in FY20.
EBITDA M	Normal EBITDA M will be 16-17%, it may be higher in Q2FY20 as the company has received Rs 53 Cr of arbitration award and around Rs 30 Cr will be contributed in bottom line. 15-18% EBITDA margin on Irrigation projects.
Order Inflow	Expect another Irrigation order of worth Rs 800 Cr from Telangana.
Equity Requirement	Total equity requirement is Rs 611 Cr and out of it KNRCON has invested Rs 183 Cr in 3 HAM projects.

EPC Projects	State	Awrad Date	Appt. Date	Project Cost (Rs/Cr)	Months
Hubli – Hospet Section of NH - 63	Karnataka	8-Aug-16	15-Mar-17	731	36
Dindigul-Bangalore Road (Pollachi to Coimbatore)	TN	25-May-16	16-Jan-17	415	24
Other Road Projects				256	
Kanchugaranahalli to Jigani	Karnataka	7-Mar-19	1-Aug-19	135	24
Ramanathapuram and Sungam Junctions flyover	TN	25-Mar-19	1-Aug-19	208	24
Khairtabad Zone - I	TN	7-Dec-19		166	60
Secunderabad Zone of GHMC	TN	11-Dec-19		241	60
Avinashi Road in Coimbatore City from Goldwins to Upplipalayam	TN	26-Aug-20	20-Dec-20	1,157	48
Cheyyur – Vandavasi Polur Road including ECR link	TN	4-Jan-21		539	39
Chennai Kanyakumari Industrial Corridor Project, Chennai	TN	22-Jan-21		109	39
Four-laning of Bangalore-Mangalore Section including 6 -lane flyover	Karnataka	20-Mar-21		1,101	24
HGCL- Widening of Existing Service roads	Telangana	13-Sep-21		313	15
Total EPC Projects				**5,370**	

EPC Projects	State	Awrad Date	Appt. Date	Project Cost	Months	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22E	4QFY22E
Hubli – Hospet Section of NH - 63	Karnataka	8-Aug-16	15-Mar-17	731	36	13	45	18	25	37	18	5	-
Model Execution %						2	6	2	3	5	3	-	-
Dindigul-Bangalore Road (Pollachi to Coimbatore)	TN	25-May-16	16-Jan-17	415	24	13	9	19	1	-	1	-	-
Model Execution %						3	2	5	0	-	0	-	-
Other Road Projects				256		68	100	28	9	12	12	12	12
Model Execution %						26	42	15	6	8	9	6	6
Kanchugaranahalli to Jigani	Karnataka	7-Mar-19	1-Aug-19	135	24	15	14	36	10	7	7	9	16
Model Execution %						11	10	27	7	5	5	7	12
Ramanathapuram and Sungam Junctions flyover	TN	25-Mar-19	1-Aug-19	208	24	10	13	52	5	7	10	15	31
Model Execution %						5	6	25	2	3	5	7	15
Khairtabad Zone - I	TN	7-Dec-19		166	60	25	-	-	-	-	8	10	25
Model Execution %						15	-	-	-	-	-	6	15
Secunderabad Zone of GHMC	TN	11-Dec-19		241	60	30	-	-	-	-	12	17	29
Model Execution %						12	-	-	-	-	-	7	12
Avinashi Road in Coimbatore City from Goldwins to Upplipalayam	TN	26-Aug-20	20-Dec-20	1,157	48	-	-	8	36	14	59	69	104
Model Execution %						-	-	1	3	1	5	6	9
Cheyyur – Vandavasi Polur Road including ECR link	TN	4-Jan-21		539	39	-	-	-	-	-	-	-	11
Model Execution %						-	-	-	-	-	-	-	2
Chennai Kanyakumari Industrial Corridor Project, Chennai	TN	22-Jan-21		109	39	-	-	-	-	-	-	2	1
Model Execution %						-	-	-	-	-	-	2	3
Four-laning of Bangalore-Mangalore Section including 6 -lane flyover	Karnataka	20-Mar-21		1,101	24	-	-	-	-	-	-	11	22
Model Execution %						-	-	-	-	-	-	1	2
HGCL- Widening of Existing Service roads	Telangana	13-Sep-21		313	15	-	-	-	-	-	-	2	3
Model Execution %						-	-	-	-	-	-	1	1
Expected in FY22													
EPC 1		Nov-21	Mar-22	500	24							-	25
Model Execution %												-	5
EPC 2		Feb-22	Jun-22	800	24							-	-
Model Execution %													
EPC Total Revenues						**194**	**197**	**161**	**86**	**77**	**127**	**157**	**288**

Quant Needs Human Insight to Work

Rapidly growing Investment Advisory Portfolio investments has brought many new entrants, using quant based AI models but will eventually turnout to be an inefficient way for wealth creation

- **Mr. Ray Dalio, founder of Bridgewater House,** world's largest Hedge fund: "If somebody discovers what you've discovered, not only is it worthless, but it becomes over-discounted, and it will produce losses. A machine-learning strategy that does not employ human logic is bound to blow up eventually."

- **Warren Buffett,** "So the really big money tends to be made by investors who are right on qualitative decisions but, at least in my opinion, the more sure money tends to be made on the obvious quantitative decisions.

- **Allocation decision and rebalancing decisions** are more important than selection decisions in overall return which requires foundation of qualitative research.

- **Analysis data of business, not of business man**

Vision of the future
United States, public equity assets
Latest available, % of total public equities (worth $31trn)

Managed funds Automated 35.1%
- Mutual fund Index 7.7
- Institutional Index* 14.7
- ETF Index 7.4
- Smart ETFs 2.9
- Quant funds 2.4

Managed funds Human 24.3%
- Mutual funds 13.9
- Other institutions* 8.0
- Other hedge funds 2.4

Other owners 40.6%
- Held by companies 15.3
- Others† 25.3

Sources: Russell 3000; Federal Reserve; Bloomberg; Morningstar; ETF.com; HFR; Preqin; JPMorgan Chase
*Estimate †Government, insurance, foreigners

Why Investment Advisory Portfolio - Equity?

Designed to retain the flexibility of direct ownership for. Wealth Creation	Provides the discipline, professional competency, & long term approach similar to that of a Mutual Fund/PMS	Empowers the individual investor with the power of Award-Winning, Multi-Asset, Multi-Strategy Research

RW Industry Leaders Theme

Objective - Long term capital appreciation by investing in companies that are the top-3 players of their respective industries.

Strategy - 'RW Industry Leaders Theme' identifies companies that are the leaders of their respective industries & are also showing 'growth in value' characteristics with expected higher return ratio.

Portfolio Snapshot - Min. Inv. Amt.: ₹ 3,00,000 | Top Up Amt.: ₹ 50,000 | Time Horizon: 3 yrs | Exp. CAGR: 14% | No. of Stocks: 12-18

RW Unnati Theme

Objective - Long-term capital growth by investing in smaller but growing companies of India

Strategy - Identifying & actively investing in companies with improving fundamentals in the RW Unnati Theme Investment Universe. Tactical weight allocation under the sub-classes to get positive returns while managing the risk.

Portfolio Snapshot - Min. Inv. Amt.: ₹ 3,00,000 | Top Up Amt.: ₹ 50,000 | Time Horizon: 7 yrs. | Expected CAGR: 18% | No. of Stocks: 20-30

RW Shreyas Mini Theme

Objective - To participate in the India growth story through investing in the Indian equity markets by building a diversified portfolio across various sectors & caps.

Strategy - Portfolio prefers stocks which fall under the 'Growth in Value' theme & passes through the '360-degree Deductive Reasoning Framework.

Portfolio Snapshot - Min. Inv. Amt.: ₹ 5,00,000 | Top Up Amt.: ₹ 1,00,000 | Time Horizon: 5 yrs. | Expected CAGR: 15% | No. of Stocks: 20-30

RW 5Tx5T Thematic Advisory Portfolio

Objective - This portfolio provides a unique theme-based investing opportunity in the Indian market & focuses on themes that should form part of India's next growth engine

Strategy - This Portfolio invests in sub-sets of 4-6 Themes out of multiple themes underlying the economic buoyancy. Stocks would be from all the three namely- large, mid & small cap segments of the market.

Portfolio Snapshot - Min. Inv. Amt.: ₹ 5,00,000 | Top Up Amt.: ₹ 100,000 | Time Horizon: 3 yrs. | Expected CAGR: 18% | No. of Stocks: 15-20

Investment Advisory Portfolio Performance	1 Year	3 Years	5 Years	Since Inception
RW Industry Leaders (ID: 1st oct.2009)	0.9	16.7	9.4	18.3
RW Unnati (ID: 2nd April 2013)	-0.1	18.9	6.9	22.9
RW Shreyas Mini (ID: 1st oct. 2009)	0.7	20.5	13.7	17.5
RW 5TX5T (ID: 1st April 2013)	-0.6	16.6	14.0	20.5
Vs Benchmark				
Nifty 100	0.4	14.7	9.5	9.7
Nifty Mid & Small 400	5.2	22.2	9.1	16.3
Nifty 500	1.5	16.3	9.4	9.9/ 12.6

Please Note: Data is as on February 2023, 1yr is ABSOLUTE returns. 3yr/5yr/SI figures are CAGR Returns. ID - Inception Date

Value of **INR 1CR** as on February 2023

Invested in October 2009			Invested in April 2013	
NS Multi-Cap INR **8.7Cr**	VS	Nifty 500 INR **3.5Cr**	NS Mid & Small Cap INR **7.7Cr** VS Nifty Mid & Small 400 INR **4.5Cr**
NS Industry Leaders INR **9.5Cr**		Nifty 100 INR **3.5Cr**	NS 5Tx5T INR **6.4Cr** VS Nifty 500 INR **3.3Cr**

RW INDUSTRY LEADERS THEME

OBJECTIVE
Long term capital appreciation by investing in companies that are the top-3 players of their respective industries.

STRATEGY
RW Industry Leaders Theme identifies companies that are leaders of their respective industry and are showing growth in value characteristics with expected higher return ratio

PROCESS
Growth-in-Value Framework & Fundamental Bottom-Up Analysis. Companies with improving/higher returns ratio are favored. A rigorous bottom up research of business financials & management strategies for companies in our investment universe - Information mining, financial modeling, investment thesis, active tracking for changes in earnings & quality outlook

Benchmark - Nifty 100 Index

Minimum Investment Amt.
3,00,000

No. of Stocks
12-18 Stocks

Time Horizon
3 Years

Expected CAGR
14%

Top-up /Withdrawal Amt.
50,000

Cap Exposure
Large Cap Stocks

Fee Plan
2.5% p.a. of your Investment Value+GST

WHY RW INDUSTRY LEADERS THEME?
Companies with a proven track record of industry outperformance, effective leadership and efficient management usually find themselves as the RW Industry Leaders. In an uncertain economic environment these are the best companies to buy as these companies are run by proven management and leadership team than can navigate difficult times.

STOCK SELECTION PROCEDURE INVOLVING 3 BROAD PROCESSES

1

MQC
M - Momentum In Return Ratios The RoE, RoCE or the Free Cash flows of company must be increasing
Q - Quality Return ratios versus its peer as well as broader stock universe.
C - Capital Allocation Management strategy on Allocation of funds

2

360 Degree Deductive Logic Framework
- Sustainable Valuation possible & factors impacting while identifying when market is under- pricing the company
- Outlook on the company Financials-why a company is considered trading below its intrinsic value
- Building a detailed business & financial model to realize the sources of earning & quality delta for the company.
- Management strategy in terms of its finances particularly in terms of source & deployment of capital, marketing strategy in terms of its products, segments, pricing etc.
- State of addressable market & identifying the changing dynamics of that addressable market.

3

Earnings & Quality: Both should be evolving in linear manner
There are three moving parts in terms of fundamental- stock price relation. These are changes in earnings, quality and valuation. Every company in its evolution passes through various stage of its progress. We prefer buying where linearity or a consistent positive delta is expected in earnings profile and the quality profile of the company. A stock before selection for portfolio should be first identified into what stage it is into.

RW INDUSTRY LEADERS THEME

Portfolio Composition

- Consumers
- Financials
- Industrial
- Global
- Cyclicals

14%, 37%, 31%, 14%, 4%
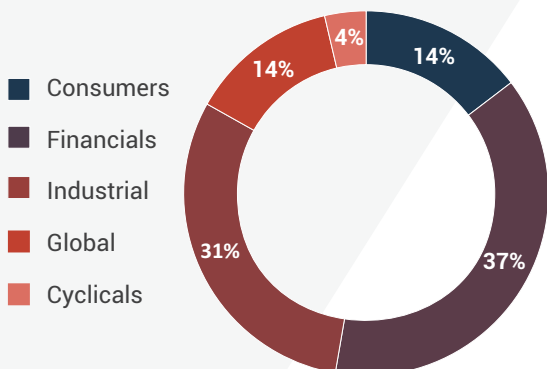
Portfolio Holdings

COMPANY	%	COMPANY	%
ICICIBANK	11%	AXISBANK	6%
LT	9%	DMART	4%
BHARTIARTL	9%	MCDOWELL-N	4%
TCS	8%	DRREDDY	4%
HDFCBANK	8%	ASTRAL	4%
SBIN	7%	ISEC	3%
RELIANCE	7%	CYIENT	3%
CUMMINSIND	7%	BAJFINANCE	3%
M&M	6%		

Return Profile vis a vis Benchmark (CAGR)

Years	RW Industry Leaders	Nifty 100
1 Year	0.9	0.4
3 Years	16.7	14.7
5 Years	9.4	9.5
Since Inception (1st Oct 2009)	18.3	9.7

Performance Attributes

	Portfolio	Benchmark
Alpha	8.6	
Beta	1.0	
R - Square	74.2	
Sharpe	0.9	0.6
Standard Deviation	19.7	17.1
Max Drawdown	-37.2	-38.1
Annual tracking Error	10.0	
Information Ratio	0.9	

RW Industry Leaders Return Profile vis a vis Nifty 100 (Rolling Returns*)

Year	Current	Average	Best	Worst
3 Month	-6.16 / -9.7	4.76 / 2.83	39.96 / 32.88	-32.79 / -37.3
6 Month	-1.15 / -5.68	9.61 / 5.72	60.47 / 47.26	-30.24 / -34.28
1 Year	0.87 / 0.4	20.03 / 11.65	100.05 / 93.7	-30.25 / -33.53
2 Year	10.56 / 7.92	20.23 / 11.52	62.3 / 50.34	-14.49 / -13.67
3 Year	16.67 / 14.72	20.35 / 11.03	47.41 / 23.00	-6.04 / -6.33
4 Year	14.55 / 11.74	20.76 / 11.04	41.78 / 18.07	4.48 / -0.28
5 Year	9.45 / 9.48	21.17 / 11.21	36.69 / 18.32	4.43 / -2.02

Please Note: Data as on 28th February, 2023. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns. The above portfolio allocation will be assessed every month to ascertain sector and scrip reshuffling. Kindly contact your RM for the latest allocation.

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RW UNNATI THEME

OBJECTIVE
Long-term capital growth by investing in smaller but growing companies of India

STRATEGY
Active investing in RW Unnati 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
Growth-in-Value Framework & Fundamental Bottom-Up Analysis. Companies with improving/higher returns ratio are favored. A rigorous bottom up research of business financials and management strategies for companies in our investment universe - Information mining, financial modeling, investment thesis, active tracking for changes in earnings & quality outlook

Benchmark - Nifty Mid & Small 400

Minimum Investment Amt.
3,00,000

No. of Stocks
20-30 Stocks

Time Horizon
7 Years

Expected CAGR
18%

Top-up /Withdrawal Amt.
50,000

Cap Exposure
Mid & Small Cap Stocks

Fee Plan
2.5% p.a. of your Investment Value+GST

WHY RW UNNATI THEME CAP?

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

RW Unnati Companies perform well in up cycles. The continuous rate cuts by the RBI will create base for next bull market to start.

Page Industries Rs. 25,000 Cr in 2019 — Rs. 800cr in 2010

Eicher Motors Rs. 77,000 Cr in 2019 — Rs. 600cr in 2008

Bajaj Finance Rs. 1,70,000 Cr in 2019 — Rs. 1100cr in 2010

Large Cap Companies
- Large Cap Companies: The Top 100 companies by market capitalization fall into the category of Large Cap Companies.
- These companies are the most liquid in nature. They have their Beta closest to 1 and run in sync with the overall market.

Mid Cap Companies
- Mid Cap Companies: Mid Cap Stocks as the ones who fall in 101st to 250th company by Market Capitalization.
- These stocks tend to be riskier than the large cap stocks & less risky than Small Cap stocks. They however offer more great potential than the large cap stocks

Small Cap Companies
- The 251st onward companies as per full market capitalization can be called as small cap stocks
- These stocks are the most volatile in nature. They become inconsistent during recessionary phases, however they outperform Large & mid cap companies in Bull periods.

RW UNNATI THEME

Portfolio Composition

- Consumers
- Financials
- Industrial
- Global

37%
8%
26%
29%
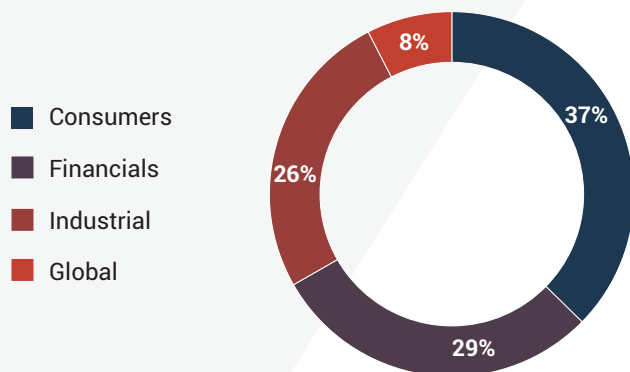
Portfolio Holdings

COMPANY	%	COMPANY	%
NH	6%	TVSMOTOR	4%
AIAENG	6%	DEVYANI	4%
IDFCFIRSTB	6%	CAMS	4%
CUMMINSIND	5%	ISEC	4%
ICICIGI	5%	TTKPRESTIG	3%
ZYDUSWELL	5%	NAZARA	3%
SUPRAJIT	5%	SSWL	3%
CANBK	5%	VIPIND	3%
BALKRISIND	4%	MCX	2%
CYIENT	4%	CONCOR	2%
ACE	4%	MOLDTKPAC	2%
CANFINHOME	4%	GRSE	2%
VRLLOG	4%		

Return Profile vis a vis Benchmark (CAGR)

Years	RW Unnati	Nifty Mid & Small 400
1 Year	-0.1	5.2
3 Years	18.9	22.2
5 Years	6.9	9.1
Since Inception (1st April 2013)	22.9	16.3

Performance Attributes

	Portfolio	Benchmark
Alpha	6.6	
Beta	1.1	
R - Square	85.4	
Sharpe	0.9	0.7
Standard Deviation	26.6	21.8
Max Drawdown	-51.6	-50.0
Annual tracking Error	10.5	
Information Ratio	0.6	

RW Unnati Return Profile vis a vis Nifty Mid & Small Cap 400 (Rolling Returns*)

Year	Current	Average	Best	Worst
3 Month	-5.9 / -6.27	6.7 / 4.83	73.54 / 43.33	-30.56 / -34.2
6 Month	-6.45 / -3.87	14.41 / 10.21	94.54 / 57.47	-28.84 / -33.81
1 Year	-0.14 / 5.21	32.44 / 22.57	147.6 / 121.26	-33.12 / -37.33
2 Year	7.76 / 13.74	29.07 / 19.51	93.49 / 67.84	-22.94 / -23.37
3 Year	18.86 / 22.23	25.19 / 15.56	63.8 / 35.5	-10.26 / -12.19
4 Year	16.88 / 17.01	23.8 / 14.4	57.67 / 32.27	4.36 / -2.14
5 Year	6.93 / 9.12	21.33 / 13.52	45.58 / 27.25	4.11 / -2.47

Please Note: Data as on 28th February, 2023. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns. The above portfolio allocation will be assessed every month to ascertain sector and scrip reshuffling. Kindly contact your RM for the latest allocation.

*Rolling return is the average annualized return on a particular date. Rolling return is used to eliminate the bias present in point-to-point return. As financial markets are volatile, rolling returns provide a clearer picture of performance than the point-to-point return.

RW SHREYAS MINI THEME

OBJECTIVE

To participate in the India growth story through investing in the Indian equity markets by building a diversified portfolio across various sectors and caps.

STRATEGY

Multicap Portfolio prefers stocks which fall under the 'Growth in Value' theme and passes through the '360-degree Deductive Reasoning Framework.

PROCESS

Growth-in-Value Framework & Fundamental Bottom-Up Analysis. Companies with improving/higher returns ratio are favored. A rigorous bottom up research of business financials and management strategies for companies in our investment universe - Information mining, financial modeling, investment thesis, active tracking for changes in earnings & quality outlook

Benchmark - Nifty 500 Index

Minimum Investment Amt.
5,00,000

No. of Stocks
20-30 Stocks

Time Horizon
5 Years

Expected CAGR
15%

Top-up/ Withdrawal Amt.
1,00,000

Cap Exposure
Large, Mid & Small Cap Stocks

Fee Plan
2.5% p.a. of your Investment Value + GST

WHY NS MULTI-CAP?

NS Multi Cap opportunity Model is meant to be a core buy and hold portfolio for investors who aim to capitalize the wealth creation opportunity in the Indian economy. This Investment advisory 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.

The stock selection for this Investment advisory portfolio is the unique feature as it backed by rigorous bottom up research blended with the Top down Approach of understanding the changes and opportunities in the addressable market of the company.

STOCK SELECTION PROCEDURE INVOLVING 3 BROAD PROCESSES

1 MQC

M - Momentum In Return Ratios The RoE, RoCE or the Free Cash flows of company must be increasing
Q - Quality Return ratios versus its peer as well as broader stock universe.
C - Capital Allocation Management strategy on Allocation of funds

2 360 Degree Deductive Logic Framework

- Sustainable Valuation possible & factors impacting while identifying when market is under- pricing the company
- Outlook on the company Financials-why a company is considered trading below its intrinsic value
- Building a detailed business & financial model to realize the sources of earning & quality delta for the company.
- Management strategy in terms of its finances particularly in terms of source & deployment of capital, marketing strategy in terms of its products, segments, pricing etc.
- State of addressable market & identifying the changing dynamics of that addressable market.

3 Earnings & Quality: Both should be evolving in linear manner

There are three moving parts in terms of fundamental- stock price relation. These are changes in earnings, quality and valuation. Every company in its evolution passes through various stage of its progress. We prefer buying where linearity or a consistent positive delta is expected in earnings profile and the quality profile of the company. A stock before selection for portfolio should be first identified into what stage it is into.

RW SHREYAS MINI THEME

Portfolio Composition

- Consumers
- Financials
- Industrial
- Global
- Cyclicals

24%
10%
4%
23%
39%
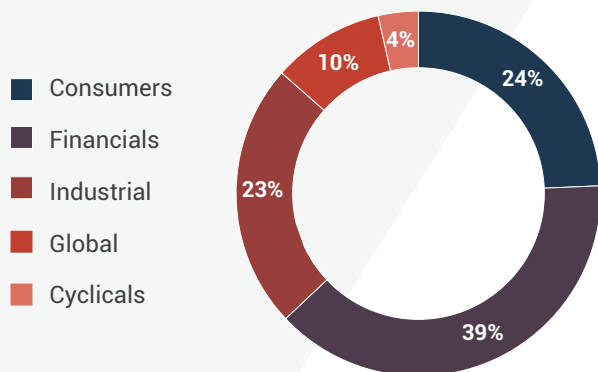
Portfolio Holdings

COMPANY	%	COMPANY	%
HDFCBANK	10%	ASTRAL	4%
ICICIBANK	10%	SBILIFE	3%
SBIN	7%	VIPIND	3%
LT	7%	CONCOR	3%
RELIANCE	7%	SUPRAJIT	3%
INFY	7%	CRISIL	3%
BRITANNIA	6%	DRREDDY	3%
M&M	6%	ICICIGI	3%
BHARTIARTL	6%	CANFINHOME	2%
DEVYANI	4%	MCDOWELL-N	2%

Return Profile vis a vis Benchmark (CAGR)

Years	RW Shreyas Mini	Nifty 500
1 Year	0.7	1.5
3 Years	20.5	16.3
5 Years	13.7	9.4
Since Inception (1st Oct 2009)	17.5	9.9

Performance Attributes

	Portfolio	Benchmark
Alpha	7.7	
Beta	1.0	
R - Square	88.6	
Sharpe	0.9	0.6
Standard Deviation	18.7	17.5
Max Drawdown	-38.4	-38.3
Annual tracking Error	6.3	
Information Ratio	1.2	

NS Multi Cap Return Profile vis a vis Nifty 500 (Rolling Returns*)

Year	Current	Average	Best	Worst
3 Month	-7.42 / -8.95	4.56 / 2.89	36.54 / 33.32	-36.38 / -36.72
6 Month	-4.56 / -5.26	9.13 / 5.81	58.12 / 49.18	-32.2 / -34.19
1 Year	0.66 / 1.47	19.08 / 11.98	112.46 / 98.9	-28.12 / -34.28
2 Year	11.9 / 9.17	19.02 / 11.94	64.57 / 53.42	-12.64 / -15.78
3 Year	20.52 / 16.27	18.47 / 11.31	39.26 / 23.5	-5.49 / -7.57
4 Year	19.26 / 12.84	18.38 / 11.31	32.86 / 20.39	2 / -0.71
5 Year	13.69 / 9.41	18.47 / 11.53	29.41 / 19.73	2.06 / -2.19

Please Note: Data as on 28th February, 2023. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns. The above portfolio allocation will be assessed every month to ascertain sector and scrip reshuffling. Kindly contact your RM for the latest allocation.

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RW 5TX5T THEMATIC ADVISORY PORTFOLIO

OBJECTIVE

This portfolio provides a unique theme-based investing opportunity in the Indian market. As India approaches towards becoming a 5 trillion 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. This strategy focuses on themes that should form part of India's next growth engine.

STRATEGY

The portfolio will consist of 15-20 stocks to provide superior returns. 2-6 stocks from each of the chosen 4-6 Selected Themes. Maximum Weight on any stock will be 10% while maintaining sector diversity

PROCESS

Growth-in-Value Framework & Fundamental Bottom-Up Analysis. Companies with improving /higher returns ratio are favored. A rigorous bottom up research of business financials and manage-ment strategies for companies in our investment universe - Information mining, financial modeling, investment thesis, active tracking for changes in earnings & quality outlook

Benchmark - Nifty 500 Index

Minimum Investment Amt.
5,00,000

No. of Stocks
15-20 Stocks

Time Horizon
3 Years

Expected CAGR
18%

Top-up/ Withdrawal Amt.
1,00,000

Cap Exposure
Large, Mid & Small Cap Stocks

Fee Plan
2.5% p.a. of your Investment Value+GST

STOCK SELECTION PROCEDURE INVOLVING 3 BROAD PROCESSES

1

MQC

M - Momentum In Return Ratios The RoE, RoCE or the Free Cash flows of company must be increasing

Q - Quality Return ratios versus its peer as well as broader stock universe.

C - Capital Allocation Management strategy on Allocation of funds

2

360 Degree Deductive Logic Framework

- Sustainable Valuation possible & factors impacting while identifying when market is under- pricing the company
- Outlook on the company Financials-why a company is considered trading below its intrinsic value
- Building a detailed business & financial model to realize the sources of earning & quality delta for the company.
- Management strategy in terms of its finances particularly in terms of source & deployment of capital, marketing strategy in terms of its products, segments, pricing etc.
- State of addressable market & identifying the changing dynamics of that addressable market.

3

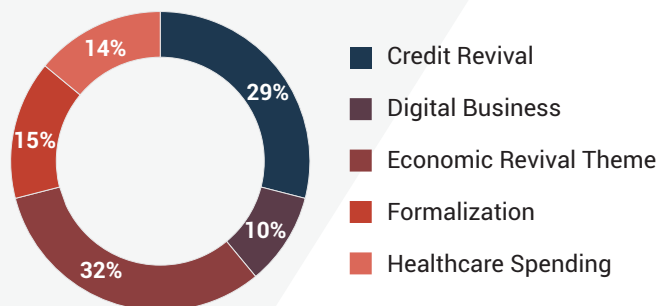### Earnings & Quality: Both should be evolving in linear manner

There are three moving parts in terms of fundamental- stock price relation. These are changes in earnings, quality and valuation. Every company in its evolution passes through various stage of its progress. We prefer buying where linearity or a consistent positive delta is expected in earnings profile and the quality profile of the company. A stock before selection for portfolio should be first identified into what stage it is into.

RW 5TX5T THEMATIC ADVISORY PORTFOLIO

Portfolio Composition

Selected Themes for RW 5TX5T

- Credit Revival — 29%
- Digital Business — 10%
- Economic Revival Theme — 32%
- Formalization — 15%
- Healthcare Spending — 14%

Portfolio Holdings

COMPANY	%	COMPANY	%
ICICIBANK	12%	ACE	6%
SBIN	11%	CUMMINSIND	4%
TCS	10%	ISEC	4%
BRITANNIA	8%	CONCOR	4%
SBILIFE	7%	SUPRAJIT	4%
DMART	7%	PRAJIND	4%
HDFCBANK	7%	LT	3%
NH	7%	NAZARA	3%

Return Profile vis a vis Benchmark (CAGR)

Years	RW 5TX5T	Nifty 500
1 Year	-0.6	1.5
3 Years	16.6	16.3
5 Years	14.0	9.4
Since Inception (1st April 2013)	20.5	12.6

Performance Attributes

	Portfolio	Benchmark
Alpha	7.9	
Beta	1.0	
R - Square	81.7	
Sharpe	1.0	0.7
Standard Deviation	19.6	17.6
Max Drawdown	-37.9	-38.3
Annual tracking Error	8.4	
Information Ratio	0.9	

RW 5T X 5T Return Profile vis a vis Nifty 500 (Rolling Returns*)

Year	Current	Average	Best	Worst
3 Month	-6.41 / -8.95	5.33 / 3.57	35.33 / 33.32	-32.51 / -36.72
6 Month	-2.58 / -5.26	11.38 / 7.44	51.55 / 49.18	-30.08 / -34.19
1 Year	-0.59 / 1.47	24.64 / 15.58	100.25 / 98.9	-20.98 / -34.28
2 Year	9.84 / 9.17	23.08 / 14.02	57.04 / 53.42	-7.33 / -15.78
3 Year	16.56 / 16.27	20.89 / 12.01	42.99 / 22.57	-1.01 / -7.57
4 Year	19.59 / 12.84	20.14 / 11.76	36.07 / 20.39	6.63 / -0.71
5 Year	14.04 / 9.41	19.4 / 11.55	32.11 / 19.73	6.01 / -2.19

Please Note: Data as on 28th February, 2023. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns. The above portfolio allocation will be assessed every month to ascertain sector and scrip reshuffling. Kindly contact your RM for the latest allocation.

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R. Wadiwala

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