

#QualityPeFocus

**NJ** MUTUAL  
FUND

BUILT ON RULES

**Quality aur Flexibility,  
Nivesh mein Zaroori.**

**Invest in**

**NJ Flexi Cap Fund**

(An open-ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.)



## Presentation Flow

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- About NJ Group
- Our Asset Management Journey
- Why are we Built on Rules?
- Understanding Factor Investing
- Factor Performance globally and in India
- NJ's Investment Philosophy
- Our Research Capabilities
- A Rule-Based Approach to Quality & Value
- NJ Flexi Cap Fund



# ONE OF INDIA'S LARGEST MUTUAL FUND DISTRIBUTOR

### A BUSINESS BUILT ON TRUST

**“To reach new heights, the foundation has to be strong.”**

The last 28 years have been a journey of evolution, expansion and enterprise. Starting as a small undertaking, today NJ Group is a reputed conglomerate with a strong presence in the Indian financial services industry. The journey has been only possible owing to the strong foundations built on trust, powered by passion to deliver value and a commitment to excellence. With protecting customer interests as our guiding principle, we have catalysed business opportunities for thousands of our Partners and created financial success stories for lakhs of our investors.

Today, NJ Group is setting its footprints on newer horizons with the same passion, vigour and dedication as ever. We are fortunate to also give back to society in our own small way. We are humbled and are thankful for the trust, love and confidence placed in us by those who have been part of this continuing journey. NJ Group shall continue to pursue its vision of transforming lives and delivering substantial value in all its businesses, with trust at the heart of everything we do.



**Started  
1994**



**Employees  
1800+**

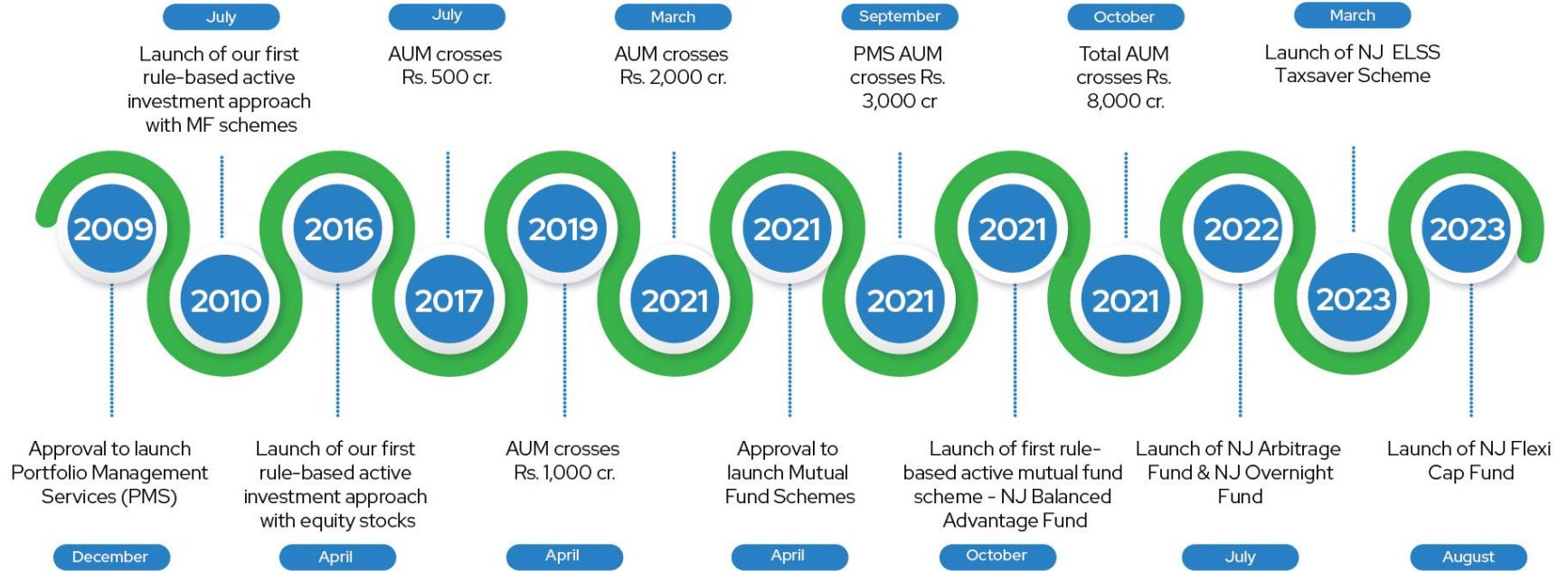


**Active Distributors  
31,468+**

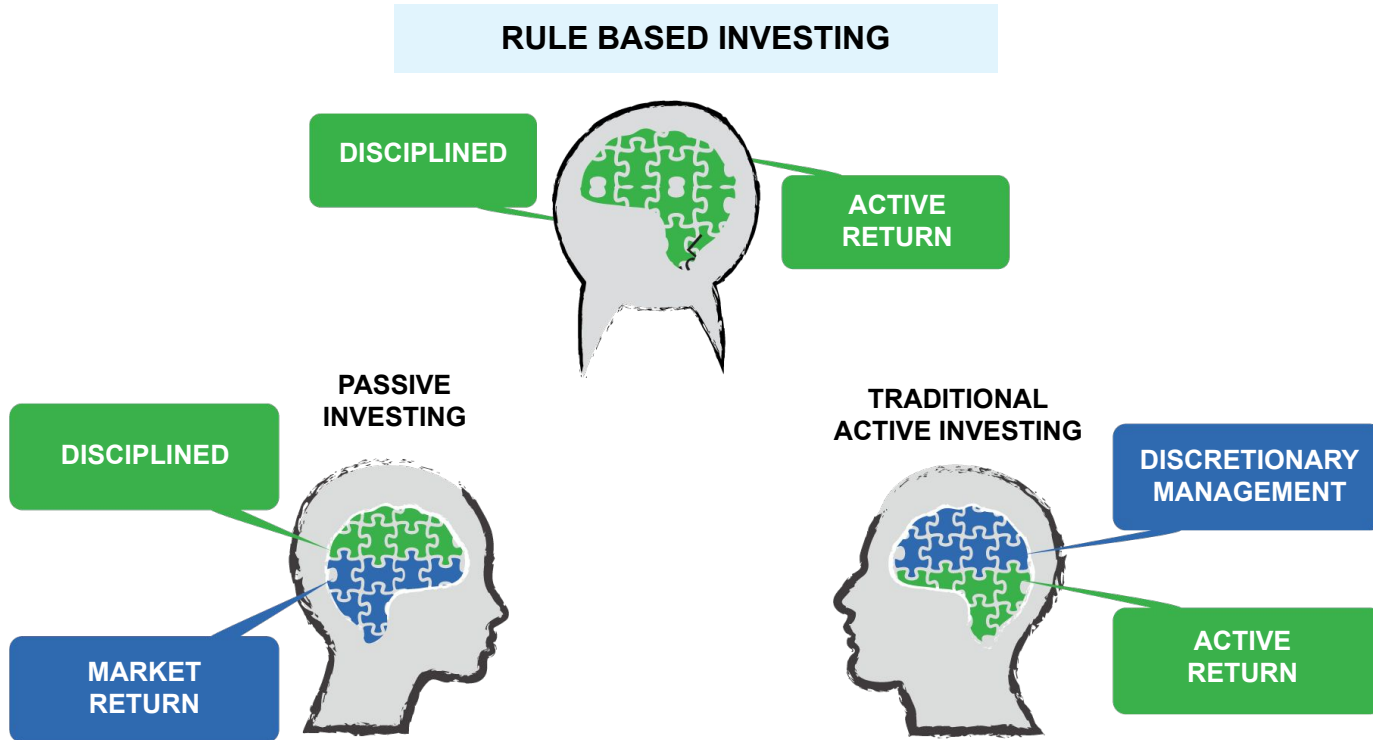


**Assets Under Management  
₹1,60,000\*+ Crore**

# Our Asset Management Journey

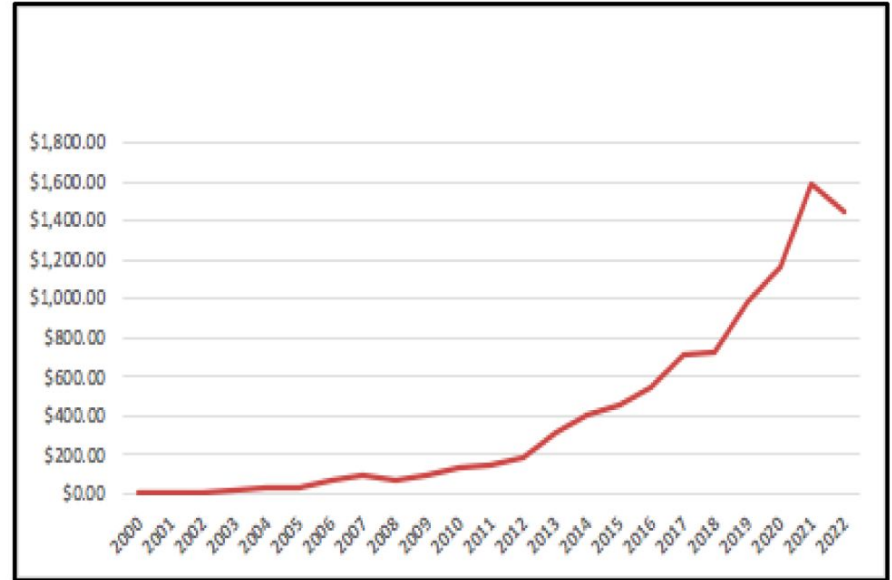
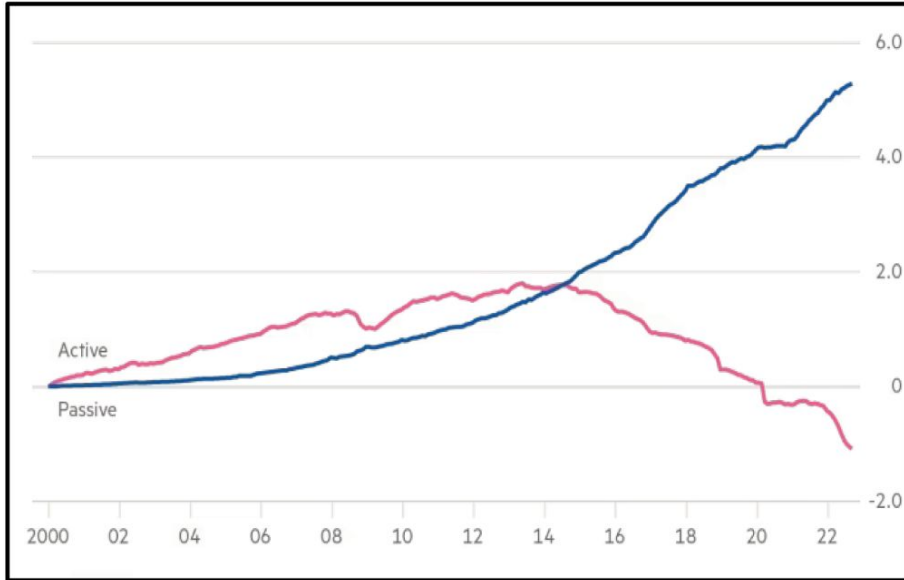


# Why are we Built on Rules?



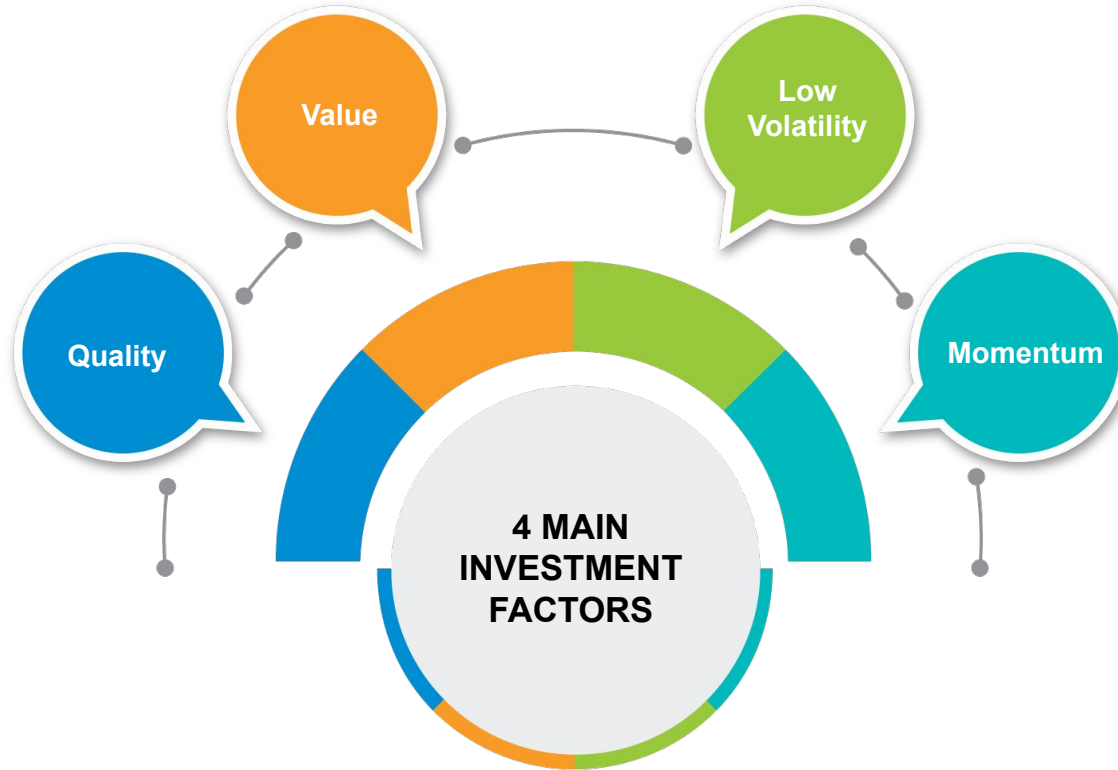
# Why are we Built on Rules?

## GLOBAL TRENDS IN ASSET MANAGEMENT



**Factor Investing is a leading form of rule based investing**

# Understanding Factor Investing



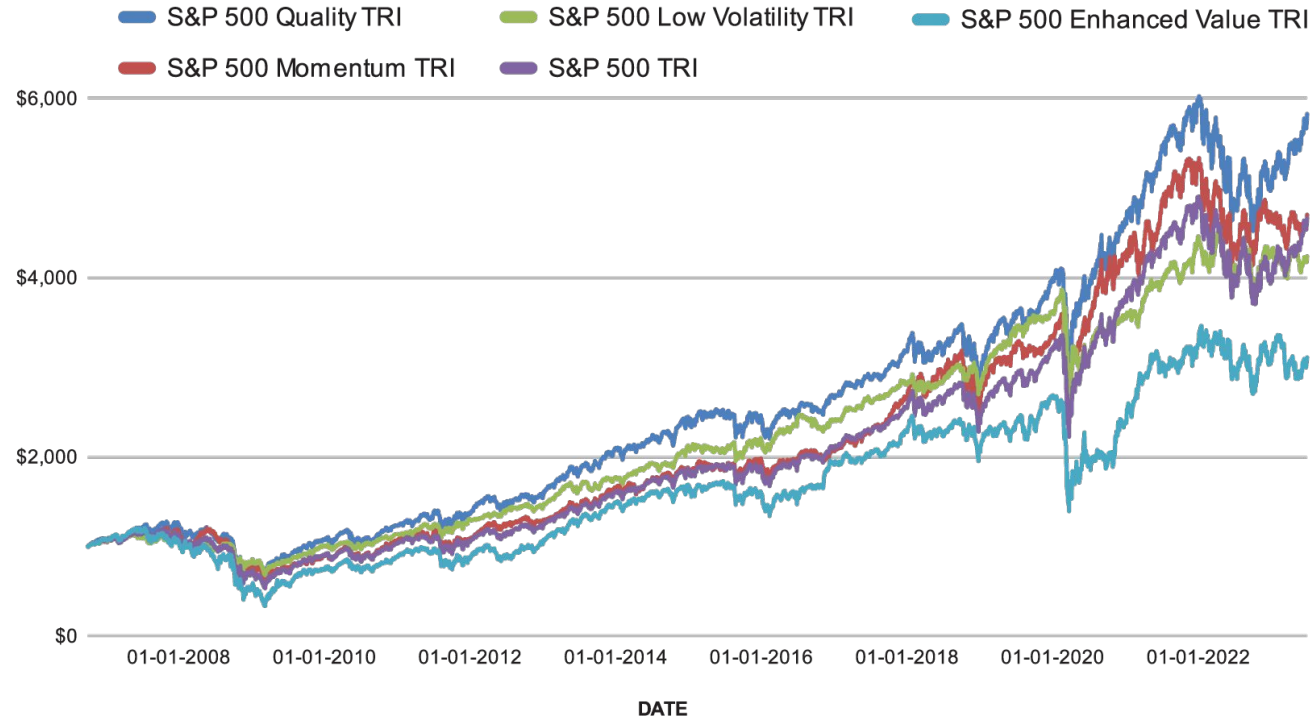
# Understanding Factor Investing



Factors are the parameters based on which professionals make investment decisions.

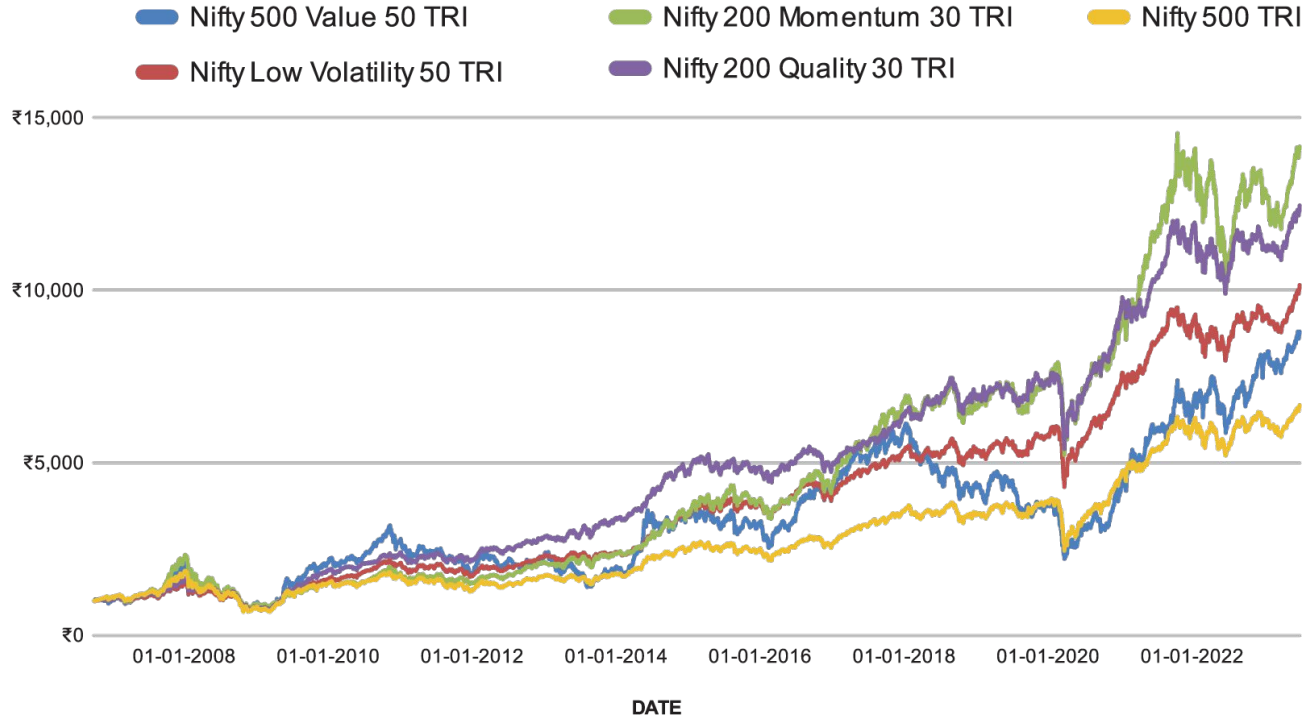


# Factor Performance in the United States



Source: Bloomberg, S&P Dow Jones Indices LLC. Data for the Period: 30th September 2006 to 30th June 2023

# Factor Performance in the India



Source: NSE. Data for the Period: 30th September 2006 to 30th June 2023

## RULE-BASED QUALITY-FOCUSED VALUE INVESTING



### Rule-based Investing

- Decisions based on predetermined rules
- Proprietary SMART BETA Platform
- Use of advanced data analysis techniques
- Incorporates global knowledge with local expertise



### Quality-focused Value Investing

- Quality first approach
- Improves long term stability
- Eliminates low quality stocks in all portfolios
- Final selection based on advanced value parameters

### DEFINING VALUE

- **Traditional measures of 'Value' have not worked in recent years**
- **NJ Asset Management approaches 'Value' in a new rule based manner that has been thoroughly tested**
  - Derive intrinsic value on the basis of historical data
  - Compare this intrinsic value to current market price
  - Select companies offering the highest discount
- **Final step after companies have been shortlisted using "Quality"**
- **NJ's approach avoids value traps and other pitfalls of traditional measures**

# NJ's Investment Research & Fund Management Team

## NEERAJ CHOKSI

(Investment Committee Chairman)

## RAJIV SHASTRI

(Director & CEO)

### RESEARCH ANALYSTS

- **Nirmay Choksi** (Research Analyst)
- **Raj Mehta** (Research Analyst)
- **Bhavik Shah** (Research Analyst)
- **Divyajeet Dhadhal** (Research Analyst)

### PORTFOLIO MANAGEMENT SERVICE

- **Bijon Pani** (Head - PMS)
- **Jaimin Illavia** (Portfolio Manager)
- **Maria Lakhwala** (Dealer)
- **Prashant Tailor** (Dealer)

### INVESTMENT RESEARCH & MANAGEMENT

#### MUTUAL FUND

- **Viral Shah** (Fund Manager)
- **Vishal Ashar** (Fund Manager)
- **Dhaval Patel** (Fund Manager)
- **Safwan Motiwala** (Debt Dealer)
- **Farid Mansuri** (Asst. Debt Dealer)

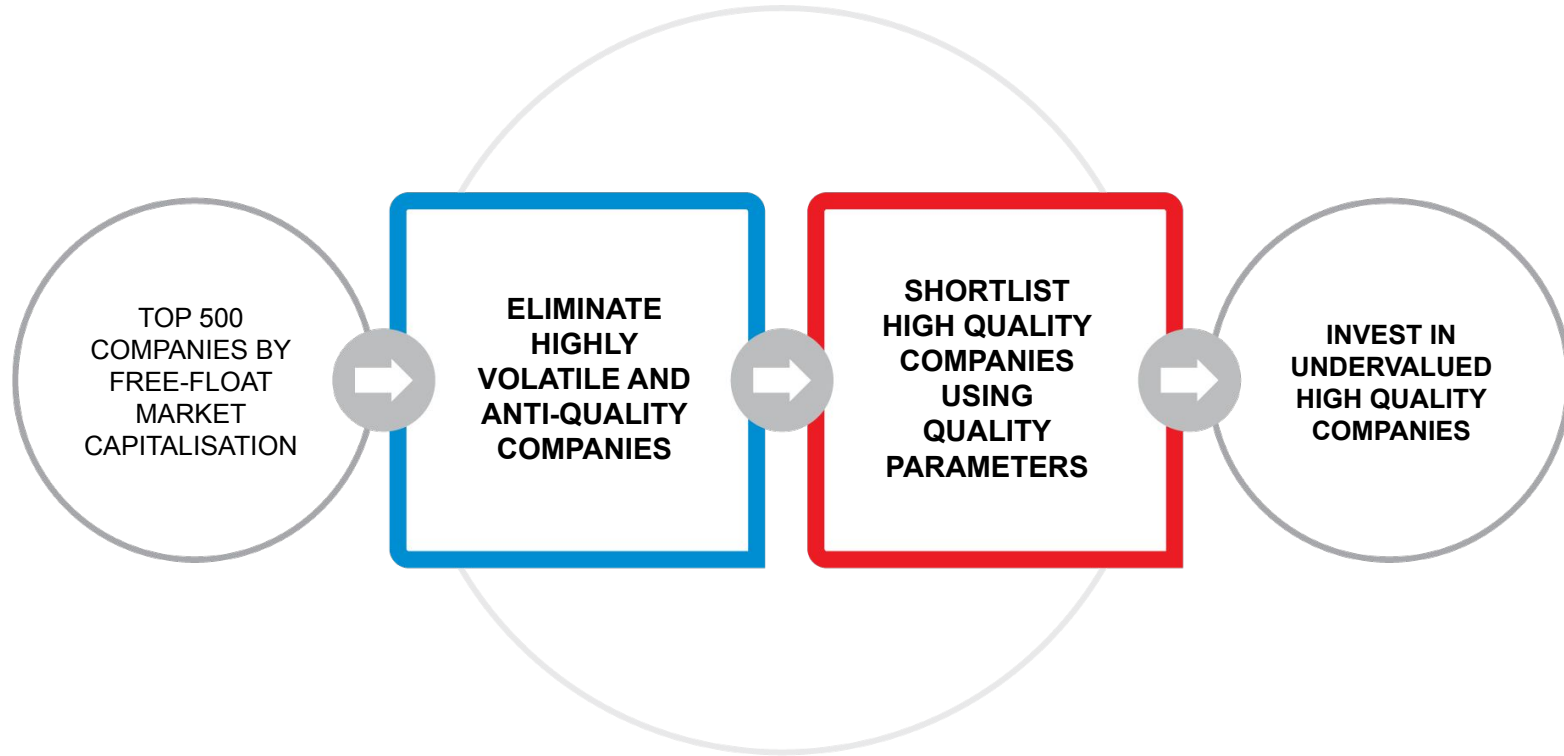
### IT & DEVELOPMENT

- **LAKIL VYAS** (DATABASE MANAGEMENT & TEAM LEADER)

### DEVELOPMENT & CODING:

- **Kaushik Joshi** (Senior Developer)
- **Mahesh Borase** (Junior Developer)
- **Shlesha Shah** (Junior Developer)
- **Om Bhatt** (Junior Developer)

## A Rule-Based Approach To Quality & Value



# A Rule-Based Approach To Quality & Value

## QUALITY IS REFLECTED IN OUR PORTFOLIOS

RETURN ON EQUITY	
Portfolio	Average
NJ Balanced Advantage Fund	28.79%
NJ ELSS Tax Saver Fund	29.25%
Nifty 50	18.26%

DIVIDEND PAYOUT	
Portfolio	Average
NJ Balanced Advantage Fund	51.22%
NJ ELSS Tax Saver Fund	58.79%
Nifty 50	35.31%

Debt to Equity	
Portfolio	Average
NJ Balanced Advantage Fund	0.32
NJ ELSS Tax Saver Fund	0.30
Nifty 50	1.64

CURRENT RATIO	
Portfolio	Average
NJ Balanced Advantage Fund	2.40
NJ ELSS Tax Saver Fund	2.61
Nifty 50	1.64

\*Dividend Payout not calculated for loss-making companies  
Data Source: CMIE, NJ SMART BETA Platform  
Data as on September 29, 2023.

- **NJ Asset Management's proprietary data & research platform**
- **More than 20 years of data for more than 1,100 companies**
- **Aggregated high-quality data from multiple providers**
- **Helps research analysts in seamlessly back-testing various portfolios**
- **Includes best in class front-end research platform that assists researchers with**
  - Dynamic portfolio creation and back-testing
  - Analysis tools and reports (Performance, Portfolio, Attribution Analysis)
  - Portfolio audit reports
  - Advanced data analytics and testing capabilities



# A Rule-Based Approach To Quality & Value



## REMOVE

### Remove companies that

- Make losses
- Borrow heavily
- Have highly volatile stock prices
- Have promoters with pledged holdings



## MEASURE

### Measure quality using

- Profitability
- Consistent profitability
- Leverage & Solvency
- Operational Liquidity
- Consistent payout



## SELECT

### Select stocks

- Profitability
- Consistent profitability
- Leverage & Solvency
- Operational Liquidity
- Consistent payout

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**Quality aur Flexibility,  
Nivesh mein Zaroori.**

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(An open-ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.)



## Why NJ Flexi Cap Fund?

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- **Rule-Based**
  - Predefined rules eliminate human bias
  - Pretested and always “true to label”
- **Quality Focused**
  - Eliminates low quality stocks from all portfolios
  - Improves portfolio outcomes
- **Technology Driven**
  - Powered by our state-of-the-art SMART BETA Platform
- **Genuine Diversification**
  - Clearly differentiated stock selection approach
  - Results in clearly differentiated portfolios
  - Offers style level diversification which was earlier unavailable

# NJ Flexi Cap Fund





<b>Objective</b>	The investment objective of the scheme is to generate long term capital appreciation by investing in equity and equity related instruments across market capitalizations. However, there is no assurance or guarantee that the investment objective of the scheme will be achieved.
<b>Type of scheme</b>	An open-ended dynamic equity scheme investing across large cap, mid cap, small cap stocks.
<b>Asset Allocation</b>	<p>Equity &amp; Equity related instruments: Minimum 65% - Maximum 100%</p> <p>Debt and money market instruments*: Minimum 0% - Maximum 35%</p> <p>Risk Profile</p> <p>Equity &amp; Equity related instruments: Medium to High</p> <p>Debt and money market instruments*: Low to Medium</p> <p>*TREPS, Government Repo/Reverse Repo (in Government Securities), Treasury bills, Government securities (Issued by both Central and State governments) and any other like instruments as specified by the Reserve Bank of India from time to time and approved by SEBI from time to time.</p>
<b>Plans and Options</b>	<p>Regular Plan and Direct Plan</p> <p>Each plan offers two options:-</p> <p>(i) Growth Option and</p> <p>(ii) Payout of Income Distribution cum Capital Withdrawal option (IDCW)</p>

# NJ Flexi Cap Fund



Minimum Investment Amount	Lumpsum investment:Rs.500/- and in multiples of Rs.1/- thereafter Additional investment:Rs.500/- and in multiples of Rs.1/- thereafter
Minimum Redemption Amount	There is no minimum redemption criteria
Load	<p>Entry Load: Not Applicable</p> <ol style="list-style-type: none"> <li>Exit Load: NIL for 5% of the units upto completion of 30 days <ul style="list-style-type: none"> <li>The First In First Out (FIFO) logic will be applied while selecting the units for redemption.</li> <li>Waiver of Exit Load is calculated for each inflow transaction separately on FIFO basis and not on the total units through multiple inflows.</li> <li>The load free units from purchases made subsequent to the initial purchase will be available only after redeeming all units from the initial purchase.</li> </ul> </li> <li>All units redeemed/switched-out in excess of the 5% load free units will be subject to the below mentioned exit load. <ul style="list-style-type: none"> <li>1.00% - if Units are redeemed/switched out on or before 30 days from the date of allotment.</li> <li>NIL - if redeemed after 30 days from the date of Allotment.</li> </ul> </li> </ol>
SIP/STP/SWP	Available
Benchmark	NIFTY 500 TRI
Fund Manager	Mr. Dhaval Patel

	SCHEME RISK-O-METER	BENCHMARK RISK-O-METER
<p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>● Long term capital appreciation</li> <li>● Investment predominantly in equity and equity related instruments</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>RISK - O - METER</p> <p>Investors understand that their principal will be at <b>Very High Risk</b></p>	 <p>RISK - O - METER</p> <p>NIFTY 500 TRI: <b>Very High Risk</b></p>

The riskometer is based on the portfolio of October 31, 2023 and is subject to periodic review and change, log onto [www.njmutualfund.com](http://www.njmutualfund.com) for updates.



Toll Free Number  
**18605002888 / 040-49763510**

Website  
**[www.njmutualfund.com](http://www.njmutualfund.com)**

Email us at  
**[customercare@njmutualfund.com](mailto:customercare@njmutualfund.com)**

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**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**



**THANK YOU**