

AN AMC DRIVEN BY  
**RULE-BASED  
ACTIVE INVESTING**

**FACTSHEET - APRIL 2022**



## MONTHLY UPDATE

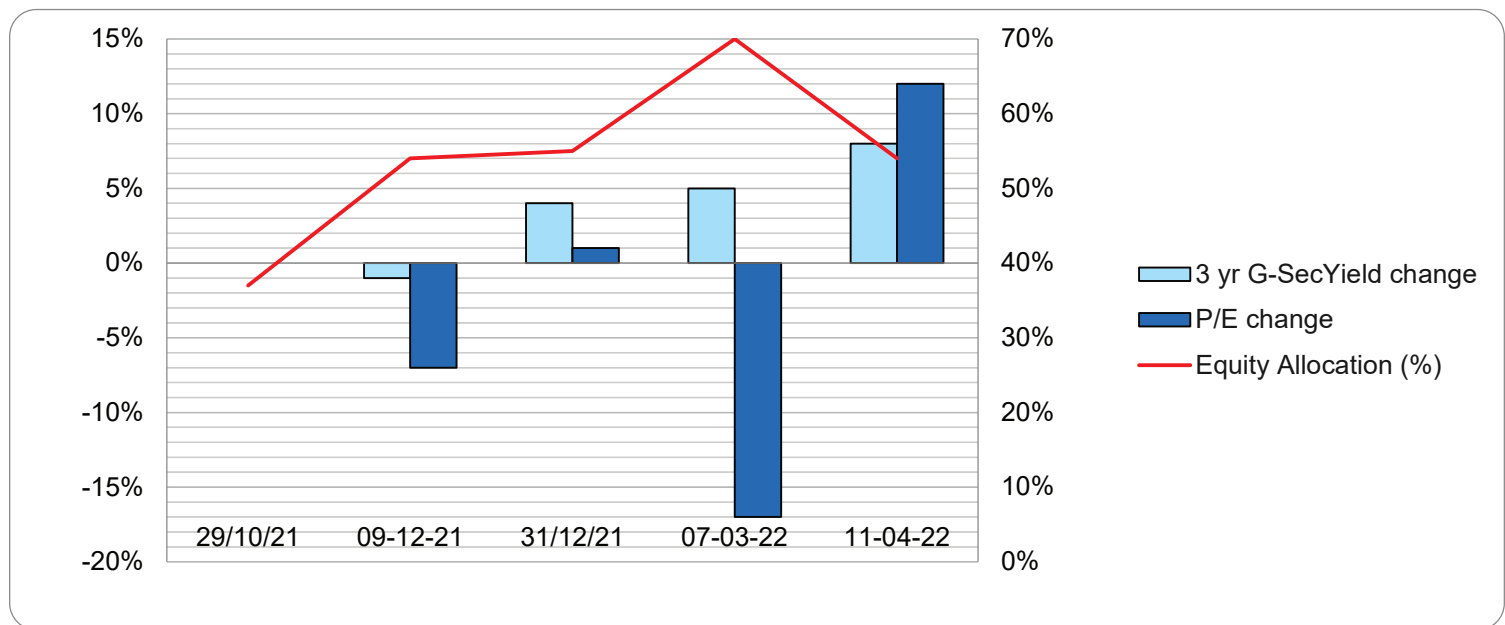
“It all comes down to interest rates. As an investor, all you’re doing is putting up a lump-sum payment for a future cash flow.” - Ray Dalio

The existence of interest allows borrowers to spend money immediately, instead of waiting to save the money to make a purchase. The lower the interest rate, the more people are able to spend on big purchases, such as houses or cars. This increases demand and output.

Conversely, higher interest rates reduce the propensity to borrow and spend. This reduces overall demand and output, hurting the income of firms and individuals.

We understand the importance of the interest rate and its effect on financial markets. Other than hurting economic activity, higher interest rates also make debt investments more attractive and result in a change in capital allocation.

Interest rates are an important input in our asset allocation model along with market valuations. Despite market yields rising over the last few months, attractive valuations caused by higher earnings and lower prices resulted in an increase in equity allocation earlier. All of these parameters have moved adversely in the recent past



Data Source: Financial Benchmarks India Ltd, BSE & Internal Research

Since our last rebalancing when equity allocation was 70%, in response to monetary policy decisions yields on government securities increased sharply. In this time, equity markets also rose by more than 12% even as index earnings reduced marginally. A combination of these factors triggered an asset allocation change which reduced our equity allocation to about 54% on April 12th. We are observing our asset allocation decisions and remain convinced about their efficacy. We will keep updating you of such changes.

In other developments, the Ukraine war has resulted in a sharp increase in commodity and food prices across the world. Though monetary policy does not necessarily respond to supply disruptions, these recent disruptions follow earlier ones. Inflation caused by these disruptions has remained high for quite some time now. These disruptions have also resulted in slower economic growth in many economies. In this environment, there are no easy monetary policy decisions. While higher interest rates may be needed to control inflationary pressures, such higher rates would slow down the economy further. And if rates are reduced to support economic activity, there is a danger of runaway inflation which will cause long term distress. We expect to see a balanced approach from central banks across the world, with somewhat higher interest rates alongside fiscal support for economic growth.

In the meantime, our thoughts are with the civilian population of Ukraine who have become victims of the geo-political ambitions of giants. They are also with the millions across the world who will struggle to make ends meet because of higher food prices. While in India, malnutrition and destitution have reduced significantly, if you do observe it around you please do reach out and help. You may end up saving lives.

# NJ BALANCED ADVANTAGE FUND

An open-ended dynamic asset allocation fund

Report as on April 30, 2022

## Investment Objective:

The investment objective of the Scheme is to generate capital appreciation by dynamically allocating its assets between equity and specified debt securities. However, there is no assurance or guarantee that the investment objective of the scheme will be achieved.

## Type of the scheme:

An open-ended dynamic asset allocation fund

## Entry Load: NA

## Exit Load (with effect from February 1, 2022):

- NIL Exit load – for 5% of the units upto completion of 30 days
  - The "First In First Out (FIFO)" logic will be applied while selecting the units for redemption
  - Waiver of Exit load is calculated for each inflow transaction separately on FIFO basis and not on the total units through multiple inflows
  - The load free units from purchases made subsequent to the initial purchase will be available only after redeeming all units from the initial purchase
- All units redeemed /switched-out in excess of the 5% load free units will be subject to the below mentioned exit load.
  - 1.00% - if Units are redeemed/switched-out on or before 30 days from the date of allotment
  - Nil - if redeemed after 30 days from the date of allotment.

**Benchmark:** NIFTY 50 Hybrid Composite Debt 50:50 Index

**Name of the Fund manager:** Mr. Rishi Sharma

Work experience: Over 14 years

He has been managing this fund since 29 October, 2021.

**Plans:** Regular Plan and Direct Plan

**Options:** Growth and IDCW

**Date of Allotment:** October 29, 2021

**Performance:** Since the scheme has not completed 1 year, performance data not provided.

## Total Expense Ratio#

Regular Plan	1.90%
Direct Plan	0.53%

**Monthly Average AUM** INR 5225.89 Crores  
**Closing AUM** INR 5122.12 Crores

## Minimum Investment Amount

INR 500 and multiples of INR 1

## Additional Investment Amount

INR 500 and multiples of INR 1

## NAV (as on 29 April, 2022)

Direct IDCW	9.77
Direct Growth	9.77
Regular IDCW	9.70
Regular Growth	9.70

## Other Parameters (as on 30 April, 2022)

Average Maturity*	109 days
Modified Duration*	104 days
Yield to Maturity	4.18%
Macaulay Duration*	106 days
Portfolio Turnover Ratio	0.70

\*Total Expense Ratio is as on the last business day of the month and includes Additional Expenses and Goods & Service Tax on Management Fees.

\*Calculated on amount invested in debt securities (including accrued interest), deployment of funds in TREPS.

**Note:** Portfolio Beta, Standard Deviation, R Squared and Sharpe Ratio of the Scheme are not computed owing to the short time frame since launch of the Scheme.

IDCW history is not available as no income is distributed since inception of the scheme.

## PORTFOLIO

ISSUER	INDUSTRY/ RATING	NET EXPOSURE % OF NET ASSETS
EQUITY ^		51.86%
Solar Industries India Limited	Chemicals & Petrochemicals	1.65%
Hindustan Unilever Limited	Diversified FMCG	1.13%
Torrent Power Limited	Power	1.12%
UPL Limited	Fertilizers & Agrochemicals	1.11%
Gujarat State Petronet Limited	Gas	1.08%
Power Grid Corporation of India Limited	Power	1.07%
Sonata Software Limited	IT - Software	1.05%
Procter & Gamble Hygiene and Health Care Limited	Personal Products	1.02%
Escorts Limited	Agricultural, Commercial & Construction Vehicles	1.01%
SKF India Limited	Industrial Products	1.00%
Tata Consultancy Services Limited	IT - Software	0.99%
Alkem Laboratories Limited	Pharmaceuticals & Biotechnology	0.98%
Persistent Systems Limited	IT - Software	0.96%
Mphasis Limited	IT - Software	0.89%
Tech Mahindra Limited	IT - Software	0.89%
MindTree Limited	IT - Software	0.88%
Larsen & Toubro Infotech Limited	IT - Software	0.83%
Sheela Foam Limited	Consumer Durables	0.65%
Ambuja Cements Limited	Cement & Cement Products	0.64%
Schaeffler India Limited	Auto Components	0.64%
Metropolis Healthcare Limited	Healthcare Services	0.60%
Astral Limited	Industrial Products	0.59%
Havells India Limited	Consumer Durables	0.59%
ACC Limited	Cement & Cement Products	0.59%
Colgate Palmolive (India) Limited	Personal Products	0.56%
Chambal Fertilizers & Chemicals Limited	Fertilizers & Agrochemicals	0.56%
HDFC Life Insurance Company Limited	Insurance	0.56%
Cholamandalam Financial Holdings Limited	Finance	0.56%
Page Industries Limited	Textiles & Apparels	0.56%
Finolex Industries Limited	Industrial Products	0.55%
Nestle India Limited	Food Products	0.55%
Asian Paints Limited	Consumer Durables	0.55%
Indian Oil Corporation Limited	Petroleum Products	0.54%
Divi's Laboratories Limited	Pharmaceuticals & Biotechnology	0.54%
JSW Energy Limited	Power	0.54%
Dabur India Limited	Personal Products	0.54%
Polycab India Limited	Industrial Products	0.54%
LIC Housing Finance Limited	Finance	0.54%
Balkrishna Industries Limited	Auto Components	0.54%
Britannia Industries Limited	Food Products	0.53%
Grasim Industries Limited	Cement & Cement Products	0.53%
Berger Paints (I) Limited	Consumer Durables	0.53%
Radico Khaitan Limited	Beverages	0.53%
Marico Limited	Personal Products	0.53%
Dr. Lal Path Labs Limited	Healthcare Services	0.53%
REC Limited	Finance	0.53%
Bajaj Auto Limited	Automobiles	0.52%
PI Industries Limited	Fertilizers & Agrochemicals	0.52%
Oracle Financial Services Software Limited	IT - Software	0.52%
JSW Steel Limited	Ferrous Metals	0.52%
SBI Life Insurance Company Limited	Insurance	0.52%
IPCA Laboratories Limited	Pharmaceuticals & Biotechnology	0.52%
Gland Pharma Limited	Pharmaceuticals & Biotechnology	0.52%
Coal India Limited	Consumable Fuels	0.52%
GAIL (India) Limited	Gas	0.52%
Ajanta Pharma Limited	Pharmaceuticals & Biotechnology	0.51%
Hindustan Petroleum Corporation Limited	Petroleum Products	0.51%
Abbott India Limited	Pharmaceuticals & Biotechnology	0.51%
Pidilite Industries Limited	Chemicals & Petrochemicals	0.51%
Bata India Limited	Consumer Durables	0.51%
Carborundum Universal Limited	Industrial Products	0.51%
Bharat Petroleum Corporation Limited	Petroleum Products	0.51%
Bayer Cropscience Limited	Fertilizers & Agrochemicals	0.51%
Tata Steel Limited	Ferrous Metals	0.51%
Oil India Limited	Oil	0.51%

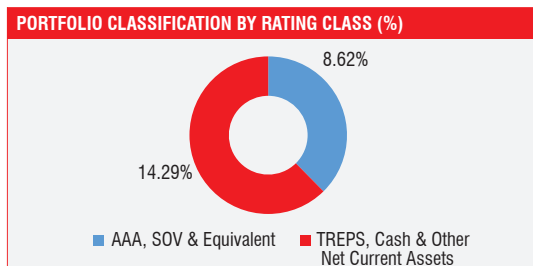
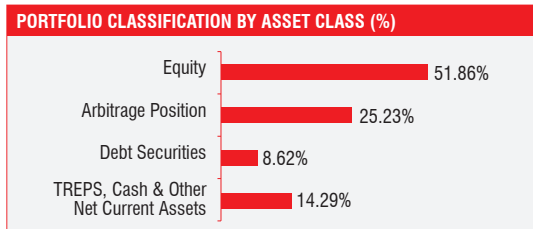
# NJ BALANCED ADVANTAGE FUND

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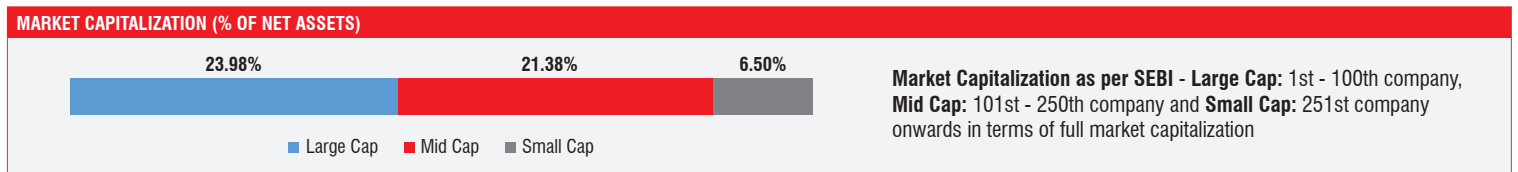
## PORTFOLIO



INDUSTRY ALLOCATION OF EQUITY HOLDING NET OF ARBITRAGE POSITION	% TO NET ASSETS
IT - Software	7.46%
Chemicals & Petrochemicals	3.63%
Pharmaceuticals & Biotechnology	3.58%
Industrial Products	3.20%
Consumer Durables	2.83%
Power	2.72%
Fertilizers & Agrochemicals	2.70%
Personal Products	2.66%
Finance	2.08%
Cement & Cement Products	1.76%
Gas	1.59%
Insurance	1.58%
Petroleum Products	1.57%
Capital Markets	1.45%
Auto Components	1.17%
Diversified FMCG	1.13%
Healthcare Services	1.13%
Food Products	1.09%
Beverages	1.03%
Ferrous Metals	1.03%
Agricultural, Commercial & Construction Vehicles	1.01%
Oil	1.01%
Banks	0.98%
Textiles & Apparels	0.56%
Automobiles	0.52%
Consumable Fuels	0.52%
Retailing	0.50%
Construction	0.50%
Non - Ferrous Metals	0.45%
IT - Services	0.42%



ISSUER	INDUSTRY/RATING	NET EXPOSURE % OF NET ASSETS
United Spirits Limited	Beverages	0.50%
SRF Limited	Chemicals & Petrochemicals	0.50%
Oil & Natural Gas Corporation Limited	Oil	0.50%
Aditya Birla Fashion and Retail Limited	Retailing	0.50%
ICICI Lombard General Insurance Company Limited	Insurance	0.50%
Larsen & Toubro Limited	Construction	0.50%
The Federal Bank Limited	Banks	0.50%
Indian Energy Exchange Limited	Capital Markets	0.49%
Linde India Limited	Chemicals & Petrochemicals	0.49%
Central Depository Services (India) Limited	Capital Markets	0.49%
HDFC Bank Limited	Banks	0.48%
Atul Limited	Chemicals & Petrochemicals	0.48%
HDFC Asset Management Company Limited	Capital Markets	0.47%
Bajaj Finserv Limited	Finance	0.46%
National Aluminium Company Limited	Non - Ferrous Metals	0.45%
Infosys Limited	IT - Software	0.43%
L&T Technology Services Limited	IT - Services	0.42%
<b>ARBITRAGE POSITION ^</b>		<b>25.23%</b>
<b>DEBT SECURITIES</b>		<b>8.62%</b>
<b>Government Bond</b>		<b>3.79%</b>
7.37% GOI (MD 16/04/2023)	Sovereign	1.10%
6.30% GOI (MD 09/04/2023)	Sovereign	0.99%
8.83% GOI (MD 25/11/2023)	Sovereign	0.51%
7.32% GOI (MD 28/01/2024)	Sovereign	0.50%
6.84% GOI (MD 19/12/2022)	Sovereign	0.49%
7.16% GOI (MD 20/05/2023)	Sovereign	0.10%
8.13% GOI (MD 21/09/2022)	Sovereign	0.10%
<b>State Government Bond</b>		<b>0.99%</b>
6.94% Maharashtra SDL (MD 23/08/2022)	Sovereign	0.59%
8.37% Odisha SDL (MD 29/08/2022)	Sovereign	0.40%
<b>Treasury Bill</b>		<b>3.84%</b>
182 Days Tbill (MD 04/08/2022)	Sovereign	0.97%
182 Days Tbill (MD 18/08/2022)	Sovereign	0.96%
364 Days Tbill (MD 27/10/2022)	Sovereign	0.96%
364 Days Tbill (MD 10/11/2022)	Sovereign	0.95%
<b>TREPS, Cash &amp; Other Net Current Assets</b>		<b>14.29%</b>
<b>Net Assets</b>		<b>100.00%</b>

^ Totals may differ marginally from those in the Monthly Portfolio Disclosure due to security level rounding off  
Investment in Top 10 scrips constitutes 11.34% of the portfolio



<p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>● Long term capital growth</li> <li>● Dynamic asset allocation between equity and specified debt securities.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p><b>SCHEME RISK-O-METER</b></p>  <p>Investors understand that their principal will be at <b>Very High Risk</b></p>	<p><b>BENCHMARK RISK-O-METER</b></p>  <p>NIFTY 50 Hybrid Composite Debt 50:50 Index: <b>High Risk</b></p>
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Report as on April 30, 2022

## HOW TO READ A MUTUAL FUND FACTSHEET?

### Fund Manager:

An employee of the asset management company such as a mutual fund or life insurer, who manages investments of the scheme. He is usually part of a larger team of fund managers and research analysts.

### Application Amount for Fresh Subscription:

This is the minimum investment amount for a new investor in a mutual fund scheme.

### Minimum Additional Amount:

This is the minimum investment amount for an existing investor in a mutual fund scheme

### Yield to Maturity:

The Yield to Maturity or the YTM is the rate of return anticipated on a bond if held until maturity. YTM is expressed as an annual rate. The YTM factors in the bond's current market price, par value, coupon interest rate and time to maturity.

### SIP:

Systematic Investment Plan (SIP) works on the principle of making periodic investments of a fixed sum. It works similar to a recurring bank deposits. For instance, an investor may opt for an SIP that invest Rs. 500 every 15th of the month in an equity fund for a period of three years.

### NAV:

The NAV or the net asset value is the total asset value per unit of the mutual fund after deducting all related and permissible expenses. The NAV is calculated at the end of every business day. It is the value at which the investor enters or exits the mutual fund.

### Benchmark:

A group of securities, usually a market index, whose performance is used as a standard or benchmark to measure investment performance of mutual funds, among other investments. Some typical benchmarks include the NIFTY, Sensex, BSE200, BSE500, 10-Year G-Sec.

### Entry Load:

A mutual fund may have a sales charge or load at the time of entry and/or exit to compensate the distributor/agent. Entry load is charged at the time an investor purchases the units of a mutual fund. The entry load is added to the prevailing NAV at the time of investment. For instance, if the NAV is Rs. 100 and the entry load is 1%, the investor will enter the fund at Rs. 101.

Note: SEBI, vide circular dated June 30, 2009 has abolished entry load and mandated that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.

### Exit Load:

Exit load is charged at the time an investor redeems the units of a mutual fund. The exit load is deducted from the prevailing NAV at the time of redemption. For instance, if the NAV is Rs. 100 and the exit load is 1%, the redemption price would be Rs. 99 per unit.

### Modified Duration:

Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.

### Standard Deviation:

Standard deviation is a statistical measure of the range of an investment's performance. When a mutual fund has a high standard deviation, it means its range of performance is wide, implying greater volatility.

### Sharpe Ratio:

The Sharpe Ratio, named after its founder, the Nobel Laureate William Sharpe, is a measure of risk-adjusted returns. It is calculated using standard deviation and excess return to determine reward per unit of risk.

### Beta Ratio:

Beta is a measure of an investment's volatility vis-a-vis the market. Beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.

### AUM:

AUM or assets under management refers to the recent / updated cumulative market value of investments managed by a mutual fund or any investment firm.

### Holdings:

The holdings or the portfolio is a mutual fund's latest or updated reported statement of investments / securities. These are usually displayed in terms of percentage to net assets or the rupee value or both. The objective is to give investors an idea of where their money is being invested by the fund manager.

### Nature of Scheme:

The investment objective and underlying investments determine the nature of the mutual fund scheme. For instance, a mutual fund that aims at generating capital appreciation by investing in stock markets is an equity fund or growth fund. Likewise, a mutual fund that aims at capital preservation by investing in debt markets is a debt fund or income fund. Each of these categories may have sub-categories.

### Rating Profile:

Mutual funds invest in securities after evaluating their creditworthiness as disclosed by the ratings. A depiction of the mutual fund in various investments based on their ratings becomes the rating profile of the fund. Typically, this is a feature of debt funds.

### Total Expense Ratio:

The Expenses of a mutual fund include management fees and all the fees associated with the fund's daily operations. Expense Ratio refers to the annual percentage of a fund's assets that is paid out in expenses.

### Average Maturity:

The average time of maturity of all the debt securities held in a portfolio. It states the weighted average maturity of the assets in the portfolio.

### Portfolio Yield:

The income return on an investment. This refers to the interest or IDCW (previously known as Dividend) received from a security and are usually expressed annually as a percentage based on the investment's cost, its current market value or its face value.

### Risk Free Return:

The theoretical rate of return attributed to an investment with zero risk. The risk-free rate represents the interest on an investor's money that he or she would expect from an absolutely risk-free investment over a specified period of time.

### Portfolio Turnover Ratio:

This is a measure of the fund's trading activity, which is computed by taking the lesser of purchases or sales (excluding all securities with maturities of less than one year) and dividing by average monthly net assets.

### Macaulay duration:

The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

### Tracking Error:

The divergence between the price behavior of a position or portfolio and the price behavior of a benchmark.



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