

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

**FACTSHEET - JANUARY 2022**



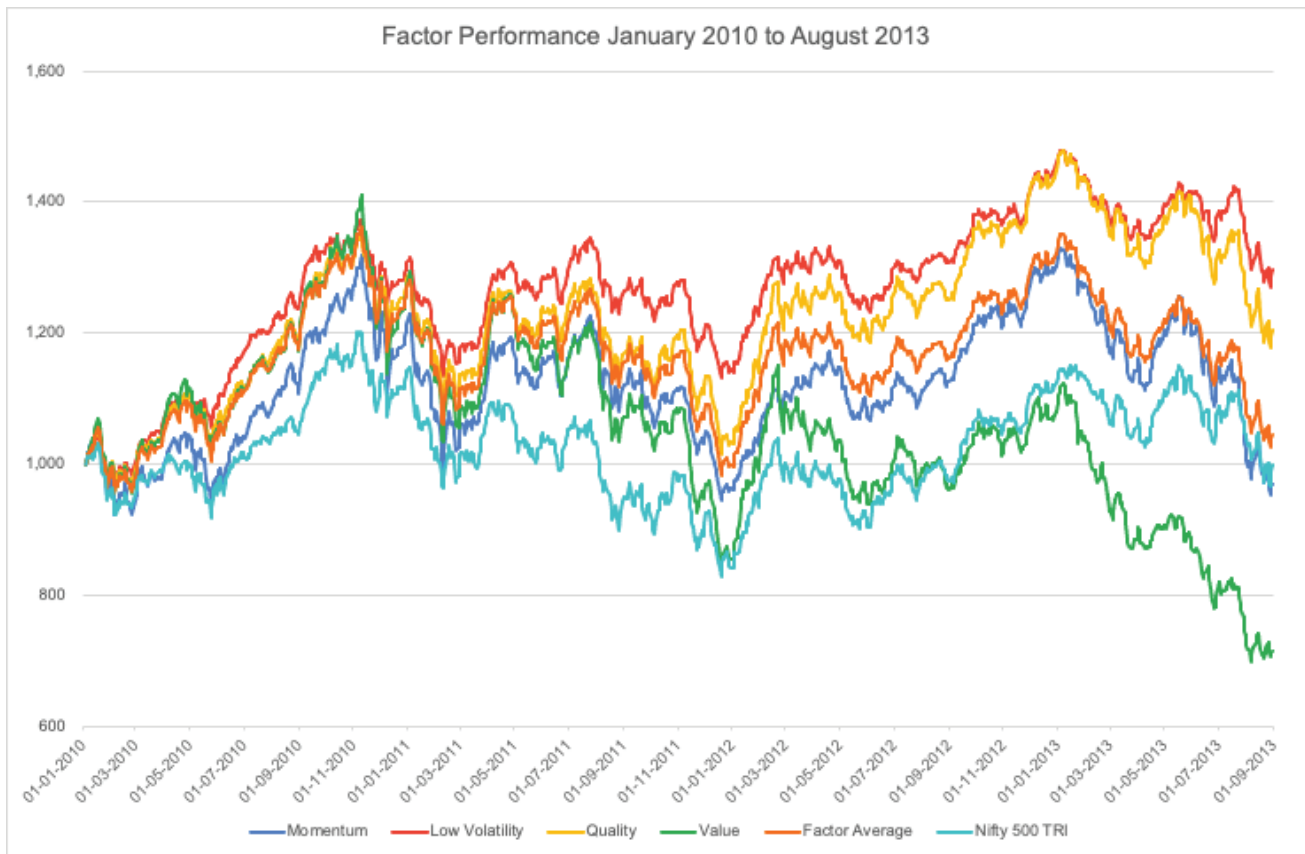
## FACTOR PERFORMANCE UPDATE

From the time our first scheme, the NJ Balanced Advantage Fund was launched, there has been a sharp change in market conditions. After a wholesome increase in the preceding 9 months, the NIFTY 500 has remained broadly unchanged in the 3 months that the NJBAF has been in existence. But this is just the superficial difference. There is a more meaningful difference in the manner in which the markets have traversed these periods.

From February 2021 to October 2021 the NIFTY 500 rose by 3,784 points or 33.5%. But if one were to sum up all the daily gains made by the market and all the daily losses made by the market, it emerges that to gain this ground the NIFTY 500 rose by 10,261 points and fell by 6,474 points. From the 184 trading days in this period it moved up by an average of 0.68% on 109 days and fell by an average of 0.65% on 75 days with an annualized volatility of approx 13.5%

Over the last three months, these numbers have changed sharply. In this period, the markets saw total daily gains of 3,827 points and total daily losses of 3,992 points losing 165 points or 1.10%. And in the 62 trading days in this period, the market gained an average of 0.73% on 29 days and lost an average of 0.91% on 33 days. Not only did the average daily losses increase sharply, the average daily gains registered an increase as well. It's no surprise that the annualised volatility in this period jumped up to 16.4% as well.

Since this isn't the first time that the market appears to be taking a pause after a sustained rise, it may be instructive to see what history has to tell us about it. A similar period of consolidation was experienced from January 2010 to August 2013 after the markets had staged a sharp recovery from the 2008 lows. In this 32 month period, the NIFTY 500 TRI remained broadly unchanged, but our factor indexes charted a different path.



**Data Source:** Bloomberg, NJAMC Research

All factor indexes outperformed the NIFTY 500 TRI by a reasonable margin for most of this period. This dominance was especially visible in the initial period itself. It was only in the final stages of the consolidation that Value and Momentum underperformed even as the market laid the foundation of another rally which saw it doubling in the next 3 ½ years.

As far as the performance of the various factors is concerned, the saying that “Even if history doesn't repeat, it certainly rhymes” holds broadly true. So while no one is in a position to predict exactly where the market is headed, we remain confident that our multi-factor approach will prove to be resilient, as in the past.

Before we end this note, we have a request. The Department of Economic Affairs, Ministry of Finance, Government of India and Arun Jaitley National Institute of Financial Management is conducting a survey on Investor Behaviour under the aegis of DEA-AJNIFM Research Programme. This survey is a stepping stone to the formulation of policy reforms that aim to integrate global best practices into the Indian financial markets. This survey is available on this link (<https://bit.ly/3API9Yt>) and we urge you to participate in it.

# NJ BALANCED ADVANTAGE FUND

An open-ended dynamic asset allocation fund

Report as on January 31, 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	1.88%
Direct Plan	0.52%

**Monthly Average AUM** INR 5397.65 Crores  
**Closing AUM** INR 5287.28 Crores

## Minimum Investment Amount

INR 500 and multiples of INR 1

## Additional Investment Amount

INR 500 and multiples of INR 1

## NAV (as on 31 January, 2022)

Direct IDCW	9.79
Direct Growth	9.79
Regular IDCW	9.75
Regular Growth	9.75

## Other Parameters (as on 31 January, 2022)

Average Maturity*	87 days
Modified Duration*	87 days
Yield to Maturity	3.61%
Macaulay Duration*	87 days
Portfolio Turnover Ratio	0.39

\*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	% TO NET ASSETS
<b>EQUITY^</b>		<b>54.91%</b>
Solar Industries India Ltd.	Chemicals	1.68%
Sonata Software Ltd.	Software	1.62%
Power Grid Corporation of India Ltd.	Power	1.21%
Gujarat State Petronet Ltd.	Gas	1.17%
UPL Ltd.	Pesticides	1.15%
Tata Consultancy Services Ltd.	Software	1.14%
Torrent Power Ltd.	Power	1.12%
SKF India Ltd.	Industrial Products	1.11%
Alkem Laboratories Ltd.	Pharmaceuticals	1.11%
Hindustan Unilever Ltd.	Consumer Non Durables	1.11%
JSW Steel Ltd.	Ferrous Metals	1.09%
Procter & Gamble Hygiene and Health Care Ltd.	Consumer Non Durables	1.09%
Tata Steel Ltd.	Ferrous Metals	1.09%
Astral Ltd.	Industrial Products	1.07%
Persistent Systems Ltd.	Software	1.06%
Mphasis Ltd.	Software	1.06%
Gland Pharma Ltd.	Pharmaceuticals	1.02%
MindTree Ltd.	Software	0.97%
Dr. Lal Path Labs Ltd.	Healthcare Services	0.88%
Oil & Natural Gas Corporation Ltd.	Oil	0.69%
The Federal Bank Ltd.	Banks	0.66%
Bata India Ltd.	Consumer Durables	0.64%
Indian Oil Corporation Ltd.	Petroleum Products	0.64%
GAIL (India) Ltd.	Gas	0.63%
Bajaj Auto Ltd.	Auto	0.62%
Cholamandalam Financial Holdings Ltd.	Finance	0.62%
Hindustan Petroleum Corporation Ltd.	Petroleum Products	0.61%
Atul Ltd.	Chemicals	0.61%
Chambal Fertilizers & Chemicals Ltd.	Fertilisers	0.61%
Bayer Cropscience Ltd.	Pesticides	0.60%
Grasim Industries Ltd.	Cement & Cement Products	0.60%
Gujarat Gas Ltd.	Gas	0.60%
Polycab India Ltd.	Industrial Products	0.59%
SBI Life Insurance Company Ltd.	Insurance	0.59%
REC Ltd.	Finance	0.59%
Bharat Petroleum Corporation Ltd.	Petroleum Products	0.59%
JSW Energy Ltd.	Power	0.59%
LIC Housing Finance Ltd.	Finance	0.59%
Balkrishna Industries Ltd.	Auto Ancillaries	0.58%
Coal India Ltd.	Minerals/Mining	0.58%
ACC Ltd.	Cement & Cement Products	0.58%
Ajanta Pharma Ltd.	Pharmaceuticals	0.57%
Larsen & Toubro Ltd.	Construction Project	0.57%
Pidilite Industries Ltd.	Chemicals	0.57%
Britannia Industries Ltd.	Consumer Non Durables	0.56%
SRF Ltd.	Chemicals	0.57%
Grindwell Norton Ltd.	Industrial Products	0.56%
Escorts Ltd.	Auto	0.56%
Colgate Palmolive (India) Ltd.	Consumer Non Durables	0.56%
HDFC Bank Ltd.	Banks	0.57%
Dalmia Bharat Ltd.	Cement & Cement Products	0.55%
Nestle India Ltd.	Consumer Non Durables	0.55%
HDFC Life Insurance Company Ltd.	Insurance	0.55%
Ambuja Cements Ltd.	Cement & Cement Products	0.55%
ICICI Lombard General Insurance Company Ltd.	Insurance	0.56%
Marico Ltd.	Consumer Non Durables	0.54%
Berger Paints (I) Ltd.	Consumer Non Durables	0.54%
IPCA Laboratories Ltd.	Pharmaceuticals	0.54%
Infosys Ltd.	Software	0.53%

# NJ BALANCED ADVANTAGE FUND

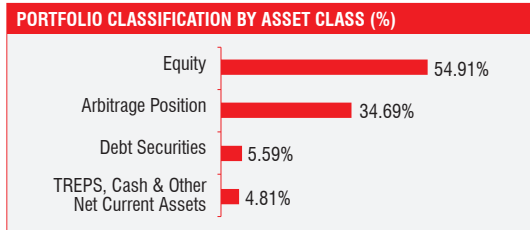
An open-ended dynamic asset allocation fund

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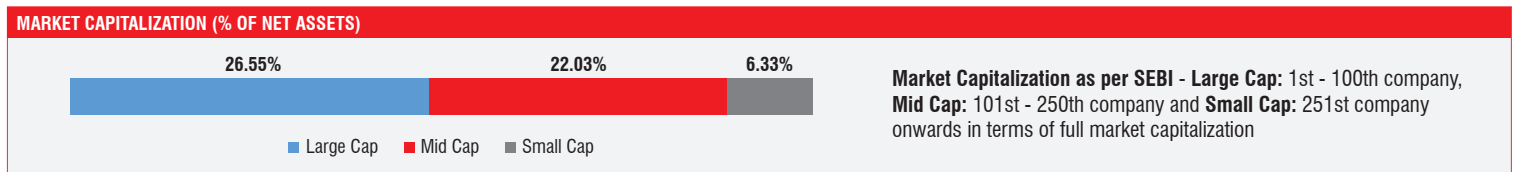
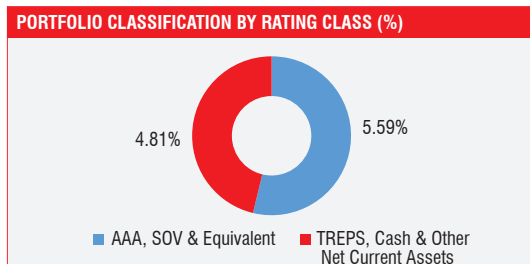
## PORTFOLIO



INDUSTRY ALLOCATION OF EQUITY HOLDING NET OF ARBITRAGE POSITION	% TO NET ASSETS
Software	9.26%
Consumer Non Durables	6.97%
Industrial Products	4.30%
Pharmaceuticals	4.21%
Chemicals	3.43%
Power	2.92%
Gas	2.41%
Cement & Cement Products	2.28%
Insurance	2.23%
Pesticides	2.21%
Ferrous Metals	2.18%
Petroleum Products	1.84%
Finance	1.80%
Healthcare Services	1.30%
Banks	1.23%
Auto	1.18%
Consumer Durables	1.13%
Capital Markets	1.01%
Oil	0.69%
Fertilisers	0.61%
Auto Ancillaries	0.58%
Minerals/Mining	0.58%
Construction Project	0.57%
<b>Total</b>	<b>54.91%</b>

ISSUER	INDUSTRY/RATING	% TO NET ASSETS
Bajaj Finserv Ltd.	Insurance	0.53%
Dabur India Ltd.	Consumer Non Durables	0.53%
Asian Paints Ltd.	Consumer Non Durables	0.53%
HDFC Asset Management Company Ltd.	Capital Markets	0.52%
Oracle Financial Services Software Ltd.	Software	0.51%
Carborundum Universal Ltd.	Industrial Products	0.50%
Divi's Laboratories Ltd.	Pharmaceuticals	0.50%
Radico Khaitan Ltd.	Consumer Non Durables	0.50%
UTI Asset Management Company Ltd.	Capital Markets	0.49%
Havells India Ltd.	Consumer Durables	0.49%
Tech Mahindra Ltd.	Software	0.49%
Larsen & Toubro Infotech Ltd.	Software	0.48%
L&T Technology Services Ltd.	Software	0.48%
Hatsun Agro Product Ltd.	Consumer Non Durables	0.47%
Abbott India Ltd.	Pharmaceuticals	0.47%
Coforge Ltd.	Software	0.47%
Finolex Industries Ltd.	Industrial Products	0.46%
PI Industries Ltd.	Pesticides	0.46%
Wipro Ltd.	Software	0.46%
Metropolis Healthcare Ltd.	Healthcare Services	0.42%
<b>ARBITRAGE POSITION ^</b>		<b>34.69%</b>
<b>DEBT SECURITIES</b>		<b>5.59%</b>
<b>Treasury Bill</b>		<b>5.59%</b>
182 Days Tbill (MD 28/04/2022)	Sovereign	1.87%
364 Days Tbill (MD 30/03/2022)	Sovereign	0.94%
182 Days Tbill (MD 09/06/2022)	Sovereign	0.93%
182 Days Tbill (MD 21/07/2022)	Sovereign	0.93%
364 Days Tbill (MD 27/10/2022)	Sovereign	0.92%
<b>TREPS, Cash &amp; Other Net Current Assets</b>		<b>4.81%</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 13.18% of the portfolio



	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 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>RISK - O - METER Investors understand that their principal will be at <b>Very High Risk</b></p>	 <p>RISK - O - METER NIFTY 50 Hybrid Composite Debt 50:50 Index: <b>High Risk</b></p>

## 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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