

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

FACTSHEET - MARCH 2022



MONTHLY UPDATE

'The measure of intelligence is the ability to change' -Albert Einstein

The end of a financial year (FY) is often a good time to take stock, especially in the financial markets. For NJ Asset Management, the last year has been nothing short of momentous. We started the year managing just over Rs. 2,100 cr. in our Portfolio Management Service (PMS). Then, early in the year we received SEBI's permission to offer mutual fund schemes, the first of which was launched in October 2021, which was a significant success. Meantime, our PMS offerings continued to grow as well. We closed the FY with just over Rs. 8,700 cr across our MF and PMS offerings, a substantial increase by any measure. None of this would have been possible without the affection and support of our partners and investors and we continue striving to live up to their expectations.

We follow a well differentiated approach to investments which provides a unique combination of discipline and active management. Our rule based active investment approach seeks to eliminate human bias at the execution stage and create a portfolio based on quantifiable drivers of excess returns. NJ Balanced Advantage Fund (BAF) is a rule based asset allocation fund which tries to allocate between debt and equities using a proprietary methodology which takes into account interest rates, market yields, prevailing equity valuation and a computed future growth rate. Depending on these, and a simulated worst case scenario, our process allocates to debt the proportion needed to preserve capital over the next 3 years. What is left gets invested in equities. From the time we allocated units in NJ BAF on October 29, 2021 this asset allocation has changed thrice in response to market conditions. These are,

Date	Reason	Equity Portion	Mibor	3 Yr GSec Yield	SENSEX	SENSEX P/E
29/10/2021	First time portfolio creation	37.57%	3.86%	5.19%	59,306.93	29.57
09/12/2021	Rebalance at 15% deviation	53.53%	3.97%	5.17%	58,807.13	27.52
31/12/2021	Quarterly rebalance	55.06%	4.11%	5.40%	58,253.82	27.87
07/03/2022	Rebalance at 15% deviation	70.22%	4.22%	5.58%	52,842.75	23.08

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

Despite the fact that both interest rates and market yields have risen, equity allocation has steadily increased, almost doubling in this time. But the main driver of this change has been the sharp drop in the price to earnings (P/E) ratio for the BSE Sensex which fell by close to 22%. This was caused by two reasons.

The most apparent and obvious one is that the markets corrected by close to 11%. But an equally important reason was that Sensex earnings grew by over 14% in this time. While this is a fairly sharp increase for a five month period under any circumstances, the fact that it follows an increase of close to 40% in the seven months that preceded it makes it truly noteworthy. All in all, Sensex earnings have increased by close to 59% in the financial year, something that has never happened before. It is these increased earnings that underpin the Indian equity markets at the moment.

While no one knows what the future holds in store, we trust our rule based active approach to manage an ever changing market landscape in the coming FY, just as it has done in the one gone by.



NJ BALANCED ADVANTAGE FUND

An open-ended dynamic asset allocation fund

Report as on March 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):

1. 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
- 2. 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 1.89%
 Direct Plan 0.52%

Monthly Average AUM INR 5139.78 Crores
Closing AUM INR 5218.08 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 March, 2022)

Direct IDCW 9.83
 Direct Growth 9.83
 Regular IDCW 9.77
 Regular Growth 9.77

Other Parameters (as on 31 March, 2022)

Average Maturity* 40 days
 Modified Duration* 40 days
 Yield to Maturity 3.69%
 Macaulay Duration* 40 days
 Portfolio Turnover Ratio 0.58

*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 ^		54.33%
Solar Industries India Limited	Chemicals	2.06%
Sonata Software Limited	Software	1.50%
Tata Steel Limited	Ferrous Metals	1.33%
JSW Steel Limited	Ferrous Metals	1.29%
Power Grid Corporation of India Limited	Power	1.24%
Persistent Systems Limited	Software	1.17%
Mphasis Limited	Software	1.16%
Tata Consultancy Services Limited	Software	1.15%
Alkem Laboratories Limited	Pharmaceuticals	1.15%
UPL Limited	Pesticides	1.15%
SKF India Limited	Industrial Products	1.09%
Procter & Gamble Hygiene and Health Care Limited	Consumer Non Durables	1.08%
MindTree Limited	Software	1.05%
Gujarat State Petronet Limited	Gas	1.02%
Torrent Power Limited	Power	1.02%
Astral Limited	Industrial Products	1.02%
Hindustan Unilever Limited	Consumer Non Durables	1.01%
Gland Pharma Limited	Pharmaceuticals	0.98%
Dr. Lal Path Labs Limited	Healthcare Services	0.79%
GAIL (India) Limited	Gas	0.69%
Coal India Limited	Minerals/Mining	0.68%
Atul Limited	Chemicals	0.67%
Oil & Natural Gas Corporation Limited	Oil	0.66%
Bajaj Auto Limited	Auto	0.65%
The Federal Bank Limited	Banks	0.65%
SRF Limited	Chemicals	0.64%
Bata India Limited	Consumer Durables	0.62%
Indian Oil Corporation Limited	Petroleum Products	0.61%
Colgate Palmolive (India) Limited	Consumer Non Durables	0.61%
Chambal Fertilizers & Chemicals Limited	Fertilisers	0.60%
JSW Energy Limited	Power	0.59%
Infosys Limited	Software	0.59%
Bayer Cropscience Limited	Pesticides	0.58%
Bajaj Finserv Limited	Insurance	0.58%
Grasim Industries Limited	Cement & Cement Products	0.58%
Pidilite Industries Limited	Chemicals	0.57%
Marico Limited	Consumer Non Durables	0.57%
HDFC Bank Limited	Banks	0.57%
IPCA Laboratories Limited	Pharmaceuticals	0.57%
ACC Limited	Cement & Cement Products	0.56%
Polycab India Limited	Industrial Products	0.56%
LIC Housing Finance Limited	Finance	0.56%
Cholamandalam Financial Holdings Limited	Finance	0.55%
Divi's Laboratories Limited	Pharmaceuticals	0.55%
ICICI Lombard General Insurance Company Limited	Insurance	0.55%
UTI Asset Management Company Limited	Capital Markets	0.55%
Grindwell Norton Limited	Industrial Products	0.54%
Bharat Petroleum Corporation Limited	Petroleum Products	0.54%
PI Industries Limited	Pesticides	0.54%
SBI Life Insurance Company Limited	Insurance	0.54%
Dabur India Limited	Consumer Non Durables	0.54%
Balkrishna Industries Limited	Auto Ancillaries	0.54%
Larsen & Toubro Limited	Construction Project	0.54%
REC Limited	Finance	0.53%
Hindustan Petroleum Corporation Limited	Petroleum Products	0.53%
Berger Paints (I) Limited	Consumer Non Durables	0.53%
Abbott India Limited	Pharmaceuticals	0.53%
L&T Technology Services Limited	Software	0.53%
Oracle Financial Services Software Limited	Software	0.52%

NJ BALANCED ADVANTAGE FUND

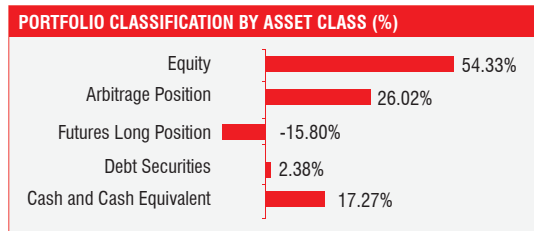
An open-ended dynamic asset allocation fund

Report as on March 31, 2022

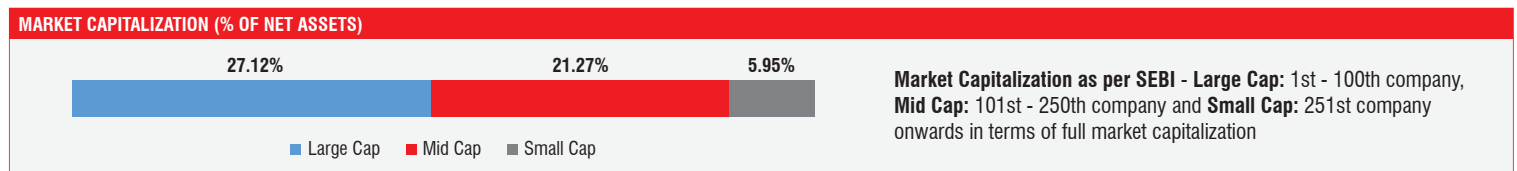
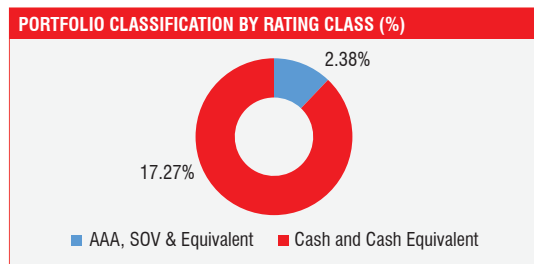
INDUSTRY ALLOCATION OF EQUITY HOLDING NET OF ARBITRAGE POSITION	% TO NET ASSETS
Software	9.58%
Consumer Non Durables	6.81%
Pharmaceuticals	4.25%
Industrial Products	4.11%
Chemicals	3.94%
Power	2.85%
Ferrous Metals	2.62%
Pesticides	2.27%
Gas	2.17%
Insurance	2.16%
Cement & Cement Products	2.06%
Petroleum Products	1.68%
Finance	1.64%
Banks	1.22%
Healthcare Services	1.13%
Consumer Durables	1.10%
Capital Markets	1.06%
Minerals/Mining	0.68%
Oil	0.66%
Auto	0.65%
Fertilisers	0.60%
Construction Project	0.54%
Auto Ancillaries	0.54%

PORTFOLIO

ISSUER	INDUSTRY/RATING	NET EXPOSURE % OF NET ASSETS
Asian Paints Limited	Consumer Non Durables	0.52%
Nestle India Limited	Consumer Non Durables	0.52%
Britannia Industries Limited	Consumer Non Durables	0.51%
HDFC Asset Management Company Limited	Capital Markets	0.51%
Tech Mahindra Limited	Software	0.50%
Hatsun Agro Product Limited	Consumer Non Durables	0.50%
HDFC Life Insurance Company Limited	Insurance	0.49%
Havells India Limited	Consumer Durables	0.48%
Larsen & Toubro Infotech Limited	Software	0.48%
Wipro Limited	Software	0.48%
Ajanta Pharma Limited	Pharmaceuticals	0.47%
Dalmia Bharat Limited	Cement & Cement Products	0.47%
Carborundum Universal Limited	Industrial Products	0.46%
Gujarat Gas Limited	Gas	0.45%
Ambuja Cements Limited	Cement & Cement Products	0.45%
Coforge Limited	Software	0.44%
Finolex Industries Limited	Industrial Products	0.43%
Radico Khaitan Limited	Consumer Non Durables	0.42%
Metropolis Healthcare Limited	Healthcare Services	0.34%
ARBITRAGE POSITION ^		26.02%
FUTURES LONG POSITION		15.80%
Nifty 50 Index		15.34%
Escorts Limited		0.46%
DEBT SECURITIES		2.38%
Government Securities		0.49%
6.30% GOI (MD 09/04/2023)	Sovereign	0.49%
Treasury Bills		1.89%
182 Days Tbill (MD 21/07/2022)	Sovereign	0.95%
364 Days Tbill (MD 27/10/2022)	Sovereign	0.94%
Cash and Cash Equivalent		17.27%
Net Assets		100.00%



^ Totals may differ marginally from those in the Monthly Portfolio Disclosure due to security level rounding off. Investment in Top 10 scrips constitutes 13.19% of the portfolio



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

Report as on March 31, 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.

DISCLAIMER

This factsheet is for information purposes only and is not an offer to sell or a solicitation to buy any mutual fund units/securities. The views expressed herein are based on the basis of internal data, publicly available information & other sources believed to be reliable. Any calculations made are approximations meant as guidelines only, which need to be confirmed before relying on them. These views alone are not sufficient and should not be used for the development or implementation of an investment strategy. It should not be construed as investment advice to any party. All opinions and estimates included here constitute our view as of this date and are subject to change without notice. The data used in this document is obtained by NJ Asset Management Private Limited (NJAMPL) from the source which it considers reliable. While the utmost care has been exercised while preparing this presentation, NJAMPL does not guarantee its accuracy / completeness of the information. We have included statements / opinions / recommendations in this document, which contain words, or phrases such as “will”, “expect”, “should”, “believe” and similar expressions or variations of such expressions, that are “forward looking statements”. Actual results may differ materially from those suggested by the forward looking statements due to risk or uncertainties associated with our expectations with respect to, but not limited to, exposure to market risks, general economic and political conditions in India and other countries globally, which have an impact on our services and / or investments, the monetary and interest policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices etc. The information provided in this document shall not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of NJAMPL. Neither NJAMPL, NJ Trustee Private Limited, NJ Mutual Fund nor any person connected with it, shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner. The recipient of this material should rely on their investigations and take their own professional advice.