

Narnolia[®]



EQUITY PMS STRATEGY

January 2023

$$D(r, \theta) = \frac{1}{\Delta t(r, \theta)} \exp \left[\int_0^t \left(\frac{r}{\theta} \right)^2 \right]$$

$$B(r, \theta) = \exp \left[- \int_0^t \frac{r}{2\theta(r)} \left(\frac{r}{\theta} \right)^2 \right]$$

$$H(r, \theta) = \sigma$$

About Narnolia

- ❑ Narnolia Group, founded in 1997, 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% CAGR Returns with 9% 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



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 & PMS AIF World

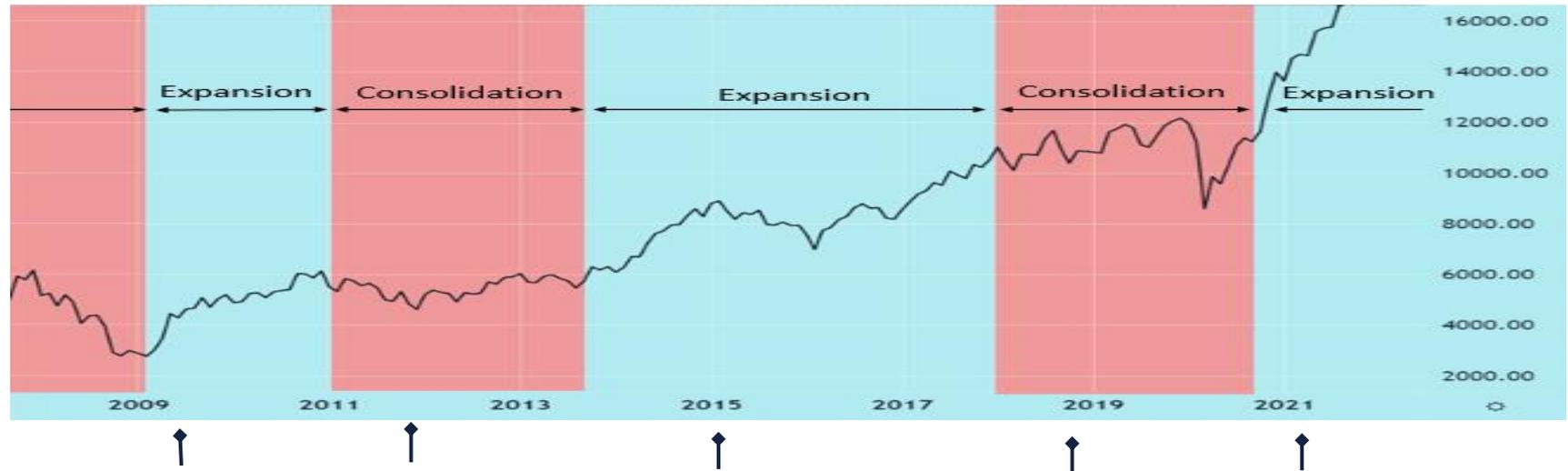


2nd Largest Registered Investment
Advisor (RIA) of the Country, 2020-21
by BSE Star & Associates



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

Industry Leading Performance across Cycles - Particularly during Bad Times



Narnolia Investment Advisory Portfolio Performance (April 2009 to Dec 2022)

	30 th Apr 2009 31 st Mar 2011	31 st Mar 2011- 31 st July 2013	31 st July 2013- 28 th Feb 2018	28 th Feb 2018- 31 st July 2020	31 st July 2020- 31 st Dec 2022
NS Industry Leaders	130%	0.4%	211.7%	-4.0%	69.6%
NS Mid & Small Cap	-	-	567.1%	-20.8%	81.5%
NS Multi Cap	140%	-3.2%	216.9%	9.1%	81.9%
NS 5TX5T			249.3%	15.4%	73.1%
VS Benchmarks					
Nifty 100	99%	-1.5%	93.1%	3.3%	62.7%
Nifty Mid & Small Cap 400	-	-	223.8%	-21.9%	107.7%
Nifty 500	103%	-5.3%	111.5%	-2.4%	71.0%

Returns are absolute %

Industry Leading Performance across Cycles - Particularly during Bad Times

Narnolia PMS Performance as on 31st Dec 2022

Returns/Benchmark	Large Cap	Mid & Small Cap	Multi Cap	5TX5T
1 year	-2.9% /3.6%	-9.8% /0.9%	-2.8% /3%	-4.4% /3%
3 years	16% /14.2%	24.9% /23.9%	21.3% /16.1%	17.3% /16.1%
5 years	10.8% /10.7%	14.9% /8.7%	13.7% /10.2%	12.6% /10.2%
Since Inception	16.5% /12.6%	19.6% /13.2%	19.4% /13%	16.1% /11.2%
Aug 13 - Jan 18	28.4 % / 17 %	26.6 % / 20.2%	31.3 % / 19.3 %	22.2 % / 13.4 %
Feb 18 – Dec 22	10.8% /10.1%	15.8% /9.5%	13.5% /9.9%	12.8% /9.9%
1st Jan 20 - 23rd March 20	-30.4 % / -37.1 %	-24.0% / -35.4 %	-30.5% / - 36.8 %	-29.8% / -36.8 %
23rd March 20 – 31st Dec 22	124.3% /136.5%	156.3% /194.4%	156.8% / 147.5%	130.1% / 147.5%
1st Jan 20 – 31st Dec 22	56.2% /48.8%	94.9% / 90.2%	78.5% / 56.5%	61.6% / 56.5%
Calendar Year Outperformance	7 out of 11	5 out of 8	10 out of 11	7 out of 8
Financial Year Outperformance	7 out of 11	4 out of 8	8 out of 11	5 out of 8

Please note: More than one year are CAGR returns

Industry Leading Performance across Cycles - Particularly during Bad Times

Calendar Year Performance									Financial Year Performance								
	Large Cap	Nifty 100	Mid & Small Cap	Nifty Mid & Small cap 400	Multi Cap	Nifty 500	5TX5T	Nifty 500		Large Cap	Nifty 100	Mid & Small Cap	Nifty Mid & Small cap 400	Multi Cap	Nifty 500	5TX5T	Nifty 500
2012	18.2	14.9	-	-	20.7	14.9	-	-	2012-13	1.6	7.3	-	-	4.4	5.1	-	-
2013	5.4	6.5	-	-	9.3	3.6	-	-	2013-14	20.9	18.3	-	-	25.5	17.7	-	-
2014	56.7	33.2	-	-	62.4	37.8	-	-	2014-15	61.6	29.1	-	-	67.4	33.6	-	-
2015	5.9	-2.4	25.7	5.8	15.2	-0.7	10.3	-2.2	2015-16	-2.4	-8.1	17.7	-3.4	2.0	-7.5	4.8	-6.1
2016	5.4	3.6	10.1	3.8	4.7	3.8	10.5	3.8	2016-17	26.1	20.9	34.7	37.2	27.7	23.9	33.7	23.9
2017	42.3	31.0	42.0	55.3	37.2	35.9	41.6	35.9	2017-18	15.2	10.7	18.2	14.5	17.7	11.5	19.4	11.5
2018	-1.2	1.1	-9.6	-18.0	-2.5	-3.4	0.3	-3.4	2018-19	6.0	12.5	0.6	-5.4	4.6	8.4	8.2	8.4
2019	8.3	10.4	13.4	-2.9	9.1	7.7	11.9	7.7	2019-20	-18.3	-25.9	-12.1	-34.3	-19.4	-27.6	-16.0	-27.6
2020	21.6	14.9	46.3	24.6	30.6	16.7	23.7	16.7	2020-21	64.3	69.6	96.0	105.1	80.4	76.0	66.3	76.0
2021	32.3	25.0	47.7	51.3	40.7	30.2	36.7	30.2	2021-22	23.2	19.3	26.0	27.4	29.4	21.0	21.2	21.0
2022	-2.9	3.6	-9.8	0.9	-2.8	3.0	-4.4	3.0	2022-23	1.7	3.4	-3.9	4.8	-1.5	3.7	2.0	3.7

***Inception date for Large Cap and Multi Cap is 28th March 2012 and for 5T X5T and Mid & Small Cap is 4th May 2015, so returns are calculated accordingly and for calendar year 2022 returns are YTD, as on 31st December 2022, not full year, for Financial year 2022-23 returns are YTD, as on December 2022 not full year.*

Industry Leading Performance across Cycles - Particularly during Bad Times

Narnolia PMS Performance as on 31st December 2022

Strategies / Tenure	1 Year	3 Year	4 Years	5 years	7 years	Since Inception
Large Cap	-2.9%	16.0%	14.0%	10.8%	14.0%	16.5%
Mid & Small Cap	-9.8%	24.9%	21.9%	14.9%	17.7%	19.6%
Multi Cap	-2.8%	21.3%	18.1%	13.7%	15.4%	19.4%
5TX5T	-4.4%	17.3%	16.0%	12.6%	16.1%	16.1%
VS Benchmarks						
Nifty 100	3.6%	14.2%	13.2%	10.7%	12.3%	12.6%
Nifty Mid & Small Cap 400	0.9%	23.9%	16.6%	8.7%	13.6%	13.2%
Nifty 500	3.0%	16.1%	13.9%	10.2%	12.6%	13.0% / 11.2%

** More than 1 year returns are CAGR*

Excess Returns over Benchmark

Strategies / Tenure	1 Year	3 Year	4 Years	5 years	7 years	Since Inception	Calendar Year Outperformance	Financial Year Outperformance
Large Cap	-6.5%	1.8%	0.8%	0.1%	1.7%	3.9%	7 out of 11 yrs	7 out of 11 yrs
Mid & Small Cap	-10.7%	1.0%	5.4%	6.2%	4.1%	6.4%	5 out of 8 yrs	4 out of 8 yrs
Multi Cap	-5.8%	5.2%	4.2%	3.5%	2.8%	6.4%	10 out of 11 yrs	8 out of 11 yrs
5TX5T	-7.4%	1.2%	2.0%	2.4%	3.5%	4.9%	7 out of 8 yrs	5 out of 8 yrs

Portfolio Attributes

Portfolio Attributes								
Parameters	Large Cap	Nifty 100	Mid and Small Cap	Nifty 400	Multi Cap	Nifty 500	5TX5T	Nifty 500
Beta	3.9		6.4		6.4		4.9	
R - Square	0.97		0.82		0.93		0.92	
Sharpe	83.6	0.8	85.1	0.6	84.1	0.8	86.1	0.6
Standard Deviation	0.9	16.7	1.0	22.1	1.1	17.3	0.9	17.9
Max Drawdown	17.8	-38.1	19.7	-50.0	17.5	-38.3	17.7	-38.3
Information Ratio	-35.3		-33.3		-34.3		-36.4	

Largest Research and Investment team in the country for PMS

Promoter Led & Process Driven

112 Sub-Processes (unbiased, disciplined, Multi assets and multi strategy research framework)

Investment Decisions

- Aligning Quality with Quant: 2600 to 80 Stocks
- Aligning Macro with Micro
- Aligning estimates with Price



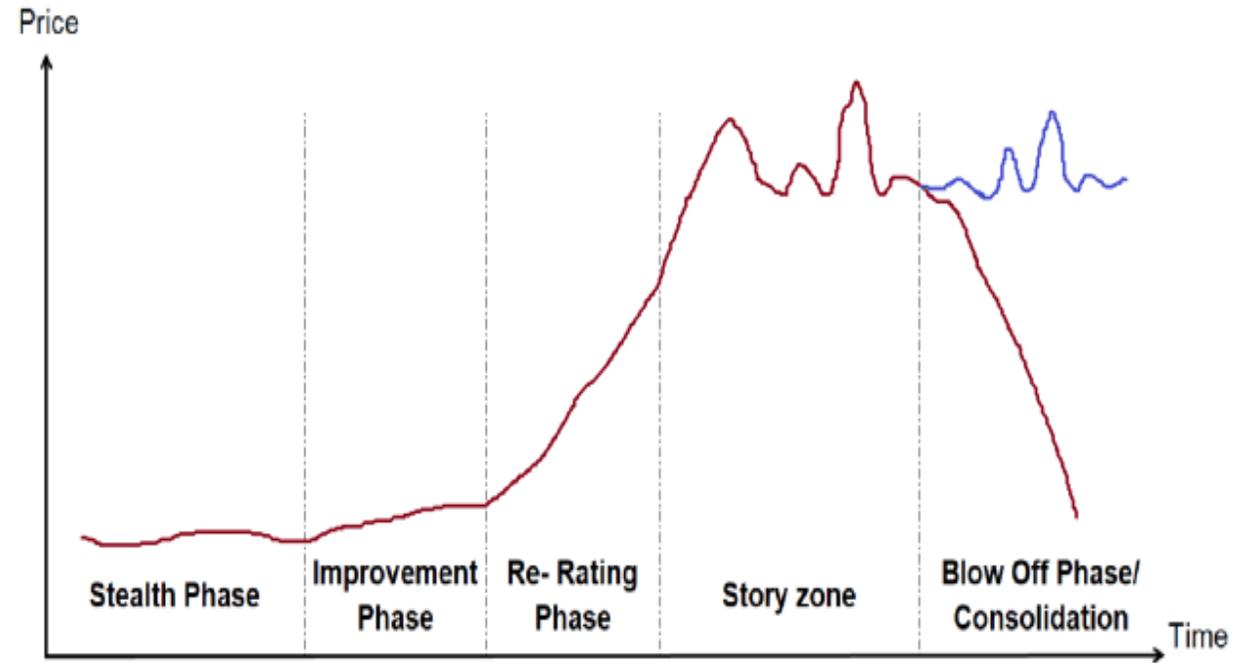
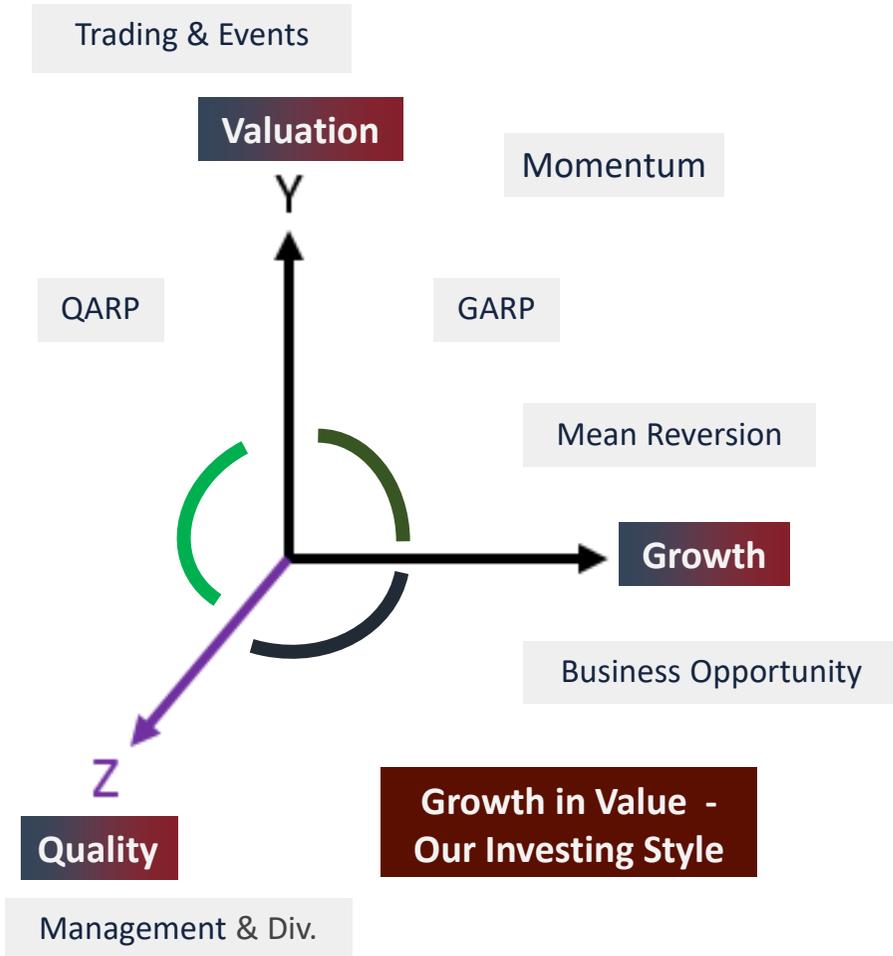
Good Businesses

- **GROWTH in VALUE** Biased Investment philosophy or style: suits developing economy and in built low risk zone
- **PRINCIPLE of LINEARITY**

Good Businessmen

- Past track record
- Present track record for future earnings

Good Business: Growth in Value & Principle of Linearity



- ❖ Mid Improvement Phase to Mid Story Zone phase favors 'Growth In Value' Style of Investing.
- ❖ 2021 to 2024 should favor this style similar to 2014 -2016.

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

250	Std/Asset	1888	Cons/Asset	2783	5.6	75	1,338	1,195	161	5329421	5329422	5329423	5329424	
knrcon		1.0	0.0	0.0	0.0	5.0	499	411	510	532942202103	532942202003	532942201903	532942201803	
KNR Construct.	532942	2021	2021	2021	2022	2022				2022	2021	2020	2019	2018
year		6	9	12	3	6	202303	202203	202403	202203	202103	202003	201903	201803
Whether Standalone /Consolidated	202103	202106	202109	202112	202203	202206	Managing Director	K Narasimha Reddy		12	12	12	12	
							Executive Director & CFO	K Jalandhar Reddy		3	3	3	3	
Net Sales	936	740	-	-	-	-	4,798	4,172	5,277	4,172	2,703	2,244	2,137	1,903
Sales growth%	38.5	54.4	(100.0)	(100.0)			15.0	54.4	10.0	54.4	20.4	5.0	10.6	
Operating Profit	192	148	-	-	-	-	734	583	866	835	432	342	320	
Operating Profit Growth%	24.3	47.5	-	-	-	-	18	35	18	93.2	26.5	6.7	9.9	
Profit After tax	77	73	-	-	-	-	502	448	60	448	244	225	263	
Profit After tax Growth%	14.5	83.5	(100.0)	(100.0)			12	83.5	12	83.5	8.4	(14.5)	(3.2)	
Other Income	9	5	-	-	-	-					50	57	63	
Dividend Paid Amt							5	4	1	4	7	-	-	
							1	1	1	1.0	3	0	0	
NetWorth	1,868	-	-	-	-	-	2,809	2,312	2,868	2,312	1,868	1,624	1,414	
Minority: bs figure	-	-	-	-	-	-					-	-	-	
Debt (All Borrowings)	1	-	-	-	-	-					1	231	264	
Long term borrowings	0	-	-	-	-	-					0	182	221	
Shortterm Borrowings	1	-	-	-	-	-					1	49	43	
Gross Block	407	-	-	-	-	-					1,354	1,270	1,076	
Intangible Assets (Part Of GB)	0	-	-	-	-	-								
Capital Work In Progress	2	-	-	-	-	-					2	10	0	
Investments	490	-	-	-	-	-					490	715	645	
Working Capital	1,749	-	-	-	-	-					737	424	300	
P/B	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	3.08	3.74	3.01	#N/A	3.21	1.70	2.1	
ROE%	4.3	#DIV/0!	#DIV/0!	#DIV/0!	-	-	17.9	19.4	2.1	2.6	19.4	13.1	13.9	11.1
ROCE%							17.9	19.4	2.1		19.4	13.1	12.1	
2 Yr Fwd P/B												1.2		
GPM%	64.5	55.5	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!					100.0	65.7	66.4	
EBITDA%	20.5	20.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!					20.0	16.0	15.2	
NPM%	8.2	9.9	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	10.5	10.7	1.1	10.7	9.0	10.0		
Total Asset Turnover (times)	2.0										1.8	1.4	1.2	
Debt / Equity											-	0.0	0.1	
No of Shares	28.1	#N/A	#N/A	#N/A	#N/A	#N/A	28.1	28.1	28.1	#N/A	28.1	14.1		
CMF	213.2	#N/A	#N/A	#N/A	#N/A	#N/A	307.3	307.3	307.3	#N/A	213.2	196.4		
Market Cap	5,995	#N/A	#N/A	#N/A	#N/A	#N/A	8,641	8,641	8,641	#N/A	5,995	2,762		
Dividend Yield							0.06	0.05	0.01	#N/A	0.12	0.00		
OPM%	20.5	20.0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!					20.0	16.0	15.2	
WC to Turnover %											-	27.3	18.9	
GB+Capex to Turnover%											-	50.2	57.0	
Receivables to Turnover%											-	31.9	21.1	
Payables to Turnover%											-	35.7	36.1	
Inventory to Turnover%											5.5	5.5	5.5	
Net Cash from Operating Activities											298.0	38.0	38.0	
Net Cash from Investing Activities											64.9	(2.0)	(2.0)	
Net Cash from Financing Activities											(274.9)			
Cash+Current Investments											117			

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

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

2. Our Financial & Business Model goes beyond mere documentation of the books to know the vital facts. We deep dive into root level revenue driver along-with detailed subsidiary financials & each line of Schedule of Assets & Liabilities.

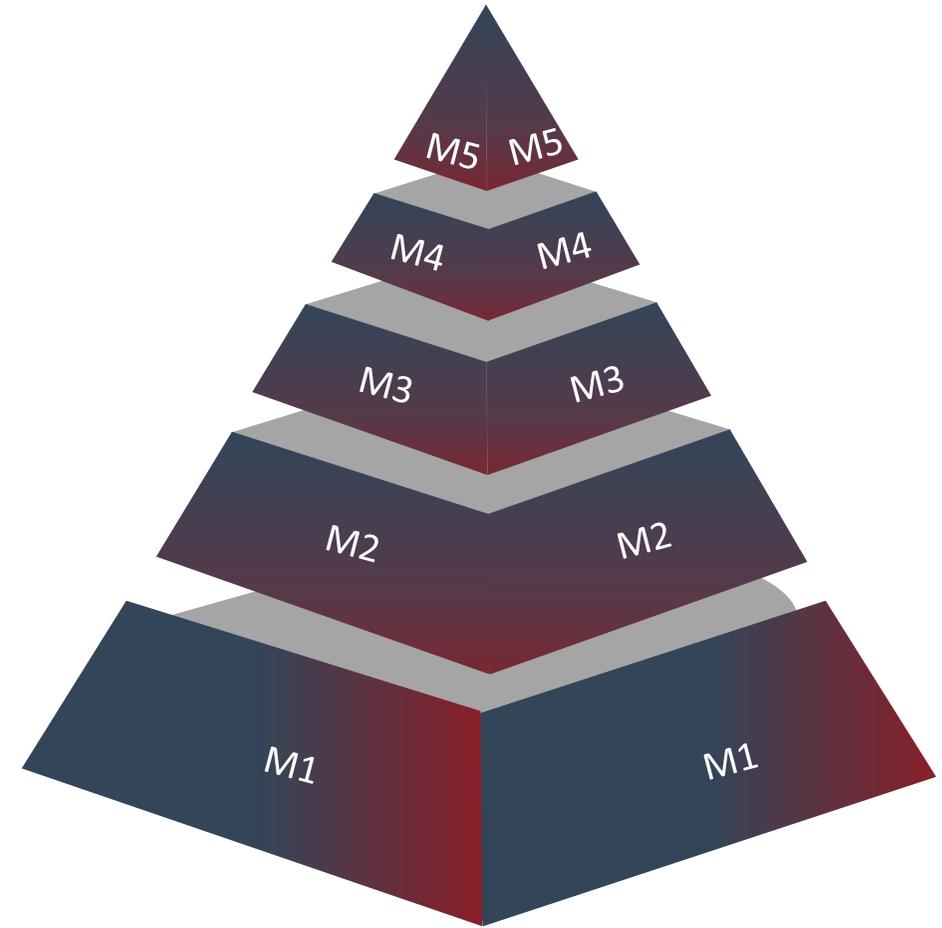
GUIDANCE FOR 2QFY22	MGMT NOTE
CAPEX	Capex of Rs 150 cr for plant machinery and equipment is expected.
DEBT	Standalone debt was around Rs 100 Crs as on H1FY22 which has been repaid as of now.
REVENUE, EBITDA	Company guided Rs 3000 cr of revenue for FY22 and margin to be around 18-19%.
ORDER INFLOW	Expects 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 an 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 Requirement	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 Guidance	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
Cheyur – 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	-
						2	6	2	3	5	2	5	-
						Model Execution %							
Dindigul-Bangalore Road (Pollachi to Coimbatore)	TN	25-May-16	16-Jan-17	415	24	13	9	19	1	-	1	-	-
						3	2	5	0	-	0	-	-
						Model Execution %							
Other Road Projects				256		68	100	28	9	12	12	12	12
						26	42	15	6	8	9	6	6
						Model Execution %							
Kanchugaranahalli to Jigani	Karnataka	7-Mar-19	1-Aug-19	135	24	15	14	36	10	7	7	9	16
						11	10	27	7	5	5	7	12
						Model Execution %							
Ramanathapuram and Sungam Junctions flyover	TN	25-Mar-19	1-Aug-19	208	24	10	13	52	5	7	10	15	31
						5	6	25	2	3	5	7	15
						Model Execution %							
Khairtabad Zone - I	TN	7-Dec-19		166	60	25	-	-	-	-	8	10	25
						15	-	-	-	-	5	6	15
						Model Execution %							
Secunderabad Zone of GHMC	TN	11-Dec-19		241	60	30	-	-	-	-	12	17	29
						12	-	-	-	-	5	7	12
						Model Execution %							
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
								1	3	1	5	6	9
						Model Execution %							
Cheyur – Vandavasi Polur Road including ECR link	TN	4-Jan-21		539	39								11
													2
						Model Execution %							
Chennai Kanyakumari Industrial Corridor Project, Chennai	TN	22-Jan-21		109	39							2	3
												2	3
						Model Execution %							
Four-laning of Bangalore-Mangalore Section including 6-lane flyover	Karnataka	20-Mar-21		1,101	24							11	22
												1	2
						Model Execution %							
HGCL- Widening of Existing Service roads	Telangana	13-Sep-21		313	15							6	9
												2	3
						Model Execution %							
Expected in FY22													
EPC 1		Nov-21	Mar-22	500	24								25
													5
						Model Execution %							
EPC 2		Feb-22	Jun-22	800	24								-
													-
						Model Execution %							
EPC Total Revenues						194	197	161	86	77	127	157	288

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

- M5** **Multiples**
Valuation Envelope 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

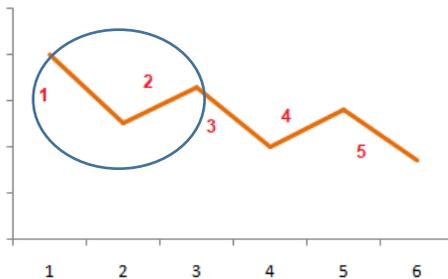
Under-performance with higher volatility on 2 consecutive market swings. If any of our portfolio stocks under performs for two consecutive swings and exhibits higher volatility, that stock gets marked for Sell/Review

04

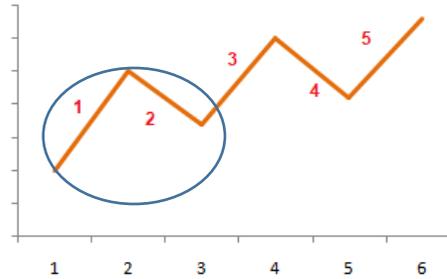
FUNDAMENTAL QUADRANT – Q G V

With rapid changes in the economy and the business landscape, the attributes of the portfolio keeps changing in relation to that of the benchmark. Tracking these changes pro-actively keeps the fundamental hygiene of the portfolio intact.

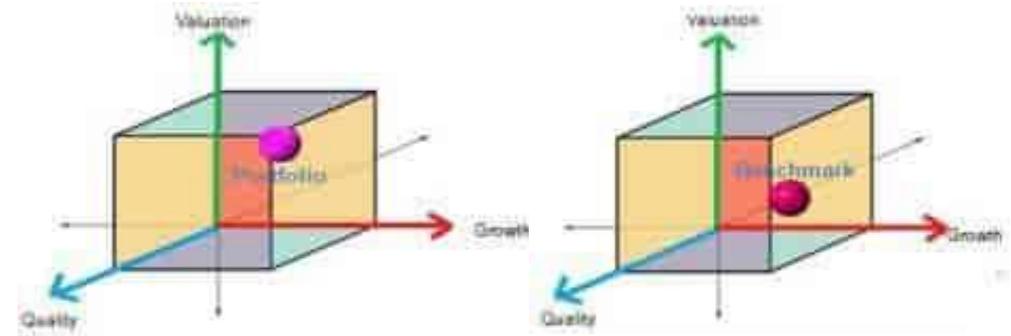
Bear Market



Bull Market



All kinds of market move in alternate swings - whether Bull, Bear or Sideways



Selection Decisions: Strategies at a Glance

	Large Cap	Mid & Small Cap	Multi Cap	5TX5T
Fundamental Attributes				
Growth	24%+	33%+	24%+	28%+
Return on Equity	16%+	17%+	17%+	20%+
Valuation	High Margin of Safety 27.6%	High Margin of Safety 29.7%	Reasonable Margin of Safety 26.1%	Reasonable Margin of Safety 24.7%
Portfolio Characteristics				
Diversification	Mid	Low	High	Low
Number of Stocks	17 (15-25)	25 (20-30)	20 (20-30)	16 (15-25)
% Assets in top 10 holdings	73%	51%	69%	78%
Returns Characteristics				
1 / 3 / 5 / SI year Return (%) - Narnolia Strategies	-2.9 / 16.0 / 10.8	-9.8 / 24.9 / 14.9	-2.8 / 21.3 / 13.7	-4.4 / 17.3 / 12.6
Benchmark Return (%)	3.6 / 14.2 / 10.7	0.9 / 23.9 / 8.7	3.0 / 16.1 / 10.2	3.0 / 16.1 / 10.2
Risk (Std. Dev)(%)	17.8	19.7	17.5	17.7
<i>Please note: The returns mentioned above are CAGR returns and are as on 31st December 2022</i>				

Top 10 Companies Holdings at a Glance

Large Cap Strategy		
Stock	Sector	Weight
BHARTIARTL	Industrial	10%
LT	Industrial	9%
SBIN	Financials	8%
ICICIBANK	Financials	8%
TCS	Global	7%
HDFCBANK	Financials	7%
RELIANCE	Industrial	6%
AXISBANK	Financials	6%
BAJFINANCE	Financials	6%
M&M	Consumers	5%

Mid & Small Cap Strategy		
Stock	Sector	Weight
NH	Consumers	6%
IDFCFIRSTB	Financials	6%
AIAENG	Industrial	6%
ICICIGI	Financials	6%
CANBK	Financials	5%
ZYDUSWELL	Consumers	5%
CUMMINSIND	Industrial	5%
BALKRISIND	Consumers	4%
CONCOR	Industrial	4%
DEVYANI	Consumers	4%

Multi Cap Portfolio		
Stock	Sector	Weight
HDFCBANK	Financials	10%
ICICIBANK	Financials	9%
SBIN	Financials	8%
RELIANCE	Industrial	8%
LT	Industrial	7%
BHARTIARTL	Industrial	6%
INFY	Global	6%
M&M	Consumers	5%
BRITANNIA	Consumers	5%
DEVYANI	Consumers	4%

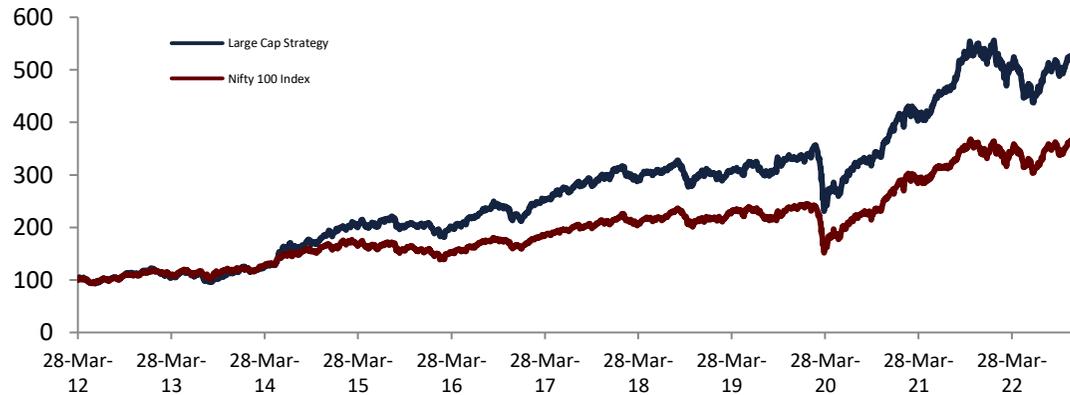
5TX5T Portfolio		
Stock	Sector	Weight
SBIN	Financials	12%
ICICIBANK	Financials	12%
TCS	Global	9%
DMART	Consumers	8%
BRITANNIA	Consumers	7%
SBILIFE	Financials	7%
HDFCBANK	Financials	6%
NH	Consumers	6%
ACE	Industrial	5%
CONCOR	Industrial	5%

Large-Cap Strategy

Large Cap strategy comprises of companies those are leaders in the respective industry in which they operate. 80% weightage in this scheme is to companies those are part of Nifty Large cap 100 Index. This index constituents have high correlation (0.94) with Nifty 50 Index.

Portfolio Attributes		Price Performance Vs Benchmark (CAGR) (December 2022)	
Fundamental			
Growth	24.8%		
Return On Equity	16.4%		
Valuation	27.6%		
Holdings			
No of Stocks	17		
% Assets in top 10 holdings	73%		
% Assets in Next 5 holdings	21%		
		Large Cap Portfolio	Nifty 100
		1 Year	-2.9 / 3.6
		3 years	16.0 / 14.2
		4 Years	14.0 / 13.2
		5 Years	10.8 / 10.7
		7 years	14.0 / 12.3
		Since Inception (28 th March 2012)	16.5 / 12.6
<i>Please Note: 1yr - ABSOLUTE returns & the rest -CAGR returns</i>			

Large Cap Return Profile vis a vis Nifty 100 (Rolling Returns)				
Year	Current	Average	Best	Worst
3 Month	4.3/4.7	4.5/3.5	34.4/32.9	-31.2/-37.3
6 Month	14.2/14.6	8.9/6.9	46.3/47.3	-30.8/-34.3
1 Year	-2.9/3.6	18.9/14.1	80.1/93.7	-24.8/-33.5
2 Year	13.3/13.8	19.5/14	50.6/50.3	-10.3/-13.7
3 Year	16/14.2	17.3/11.8	36.2/21.7	-2.9/-6.3
4 Year	14/13.2	16.7/11.5	31/18.1	3.4/-0.3
5 Year	10.8/10.7	16.7/11.8	27.8/18.3	2.7/-2



Please Note: Data as on 31st Dec, 2022. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns.

*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.

Rs.1 Cr. Invested in Large Cap Strategy at inception is worth Rs. 5.2 Cr. as on 31st December 2022. For the same period Rs.1 Cr. invested in Nifty 100 Index is now worth Rs. 3.6 Cr.

Mid & Small Cap Strategy

Mid and Small Cap Strategy as the name suggests comprises of companies that are mostly past of the Nifty Mid-small-cap 400 Index. In the market cycle when the expansion phase occurs these Mid & Small Cap provide higher returns. The strategy combines high quality moat companies with high growth companies.

Portfolio Attributes	
Fundamental	
Growth	33.8%
Return On Equity	17.4%
Valuation	29.7%
Holdings	
No of Stocks	25
% Assets in top 10 holdings	51%
% Assets in Next 5 holdings	20%

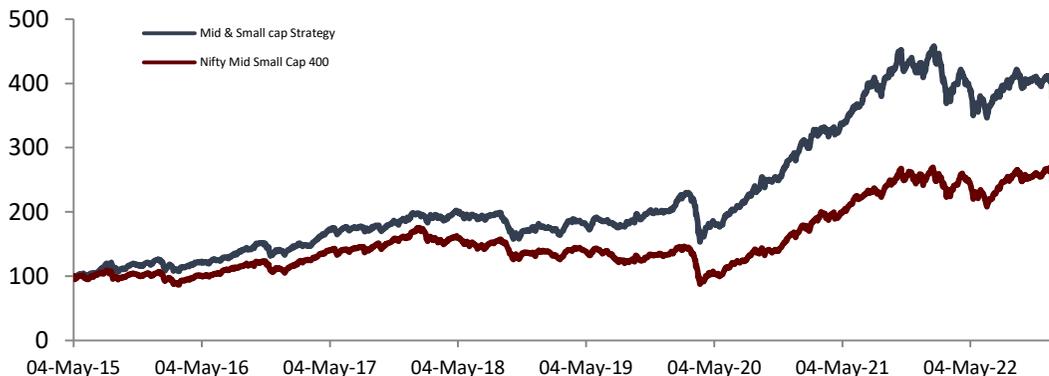
Price Performance Vs Benchmark (CAGR) (December 2022)		
	Mid & Small Cap Portfolio	Nifty Mid-Small 400
1 Year	-9.8	0.9
3 years	24.9	23.9
4 Years	21.9	16.6
5 Years	14.9	8.7
7 Years	17.7	13.6
Since Inception (4 th May 2015)	19.6	13.2

Please note: 1yr - ABSOLUTE returns & the rest -CAGR returns

Mid & Small Cap Return Profile vis a vis Nifty Mid & Small Cap 400 (Rolling Returns*)				
Year	Current	Average	Best	Worst
3 Month	-1.3/2.3	5.1/3.9	32.3/36.5	-23.5/-34.2
6 Month	7.7/18	10.5/8	59.2/57.5	-21.1/-33.8
1 Year	-9.8/0.9	23.3/18.1	114/121.3	-17.1/-37.3
2 Year	15.4/23.5	23.8/17.6	61.7/67.8	-9.3/-23.4
3 Year	24.9/23.9	19.9/11.7	41.3/28.3	-0.5/-12.2
4 Year	21.9/16.6	18.3/9.7	26.6/19.5	7.2/-2.1
5 Year	14.9/8.7	20/12	26.8/19.2	11.4/-0.1

Please Note: Data as on 31st Dec, 2022. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns.

*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.



Rs.1 Crore Invested in Mid & Small Cap Strategy at inception is worth Rs 3.9 Cr. as on 31st December 2022. For the same period Rs.1 Cr. Invested in Nifty Mid & Small 400 Index is now worth Rs. 2.6 Cr.

Multi Cap Strategy

Multi Cap investing provides the opportunity to take an optimum investment exposure across various market capitalization of Indian listed companies along with diversified industries' representation inside the investment basket. 80% weightage in this strategy is to companies those that are a part of the Nifty 500 Index.

Portfolio Attributes	
Fundamental	
Growth	24.4%
Return On Equity	17.1%
Valuation	26.1%
Holdings	
No of Stocks	20
% Assets in top 10 holdings	69%
% Assets in Next 5 holdings	18%

Price Performance Vs Benchmark (CAGR) (December 2022)		
	Multi-Cap	Nifty 500
1 Year	-2.8	3
3 years	21.3	16.1
4 Years	18.1	13.9
5 Years	13.7	10.2
7 years	15.4	12.6
Since Inception (28 th March 2012)	19.4	13

Please note: 1yr - ABSOLUTE returns & the rest -CAGR returns

Multi Cap Return Profile vis a vis Nifty 500 (Rolling Returns*)				
Year	Current	Average	Best	Worst
3 Month	2.6/4.2	5.1/3.6	35.8/33.3	-31.3/-36.7
6 Month	10.7/15.4	10.4/7.2	55.6/49.2	-28.9/-34.2
1 Year	-2.8/3	22.4/14.9	103.4/98.9	-27.8/-34.3
2 Year	16.9/15.8	23.1/14.9	60.9/53.4	-12.7/-15.8
3 Year	21.3/16.1	20.5/12.4	40.2/22.6	-3.8/-7.6
4 Year	18.1/13.9	19.2/11.9	33.6/20.4	3.3/-0.7
5 Year	13.7/10.2	19.1/12.3	31.4/19.7	3.2/-2.2



Please Note: Data as on 31st Dec, 2022. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns.

*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.

Rs.1 crore invested in Multi Cap Strategy at inception is worth Rs. 6.7 Cr. as on 31st December 2022. For the same period Rs.1 Cr. Invested in Nifty 500 Index is now worth Rs. 3.7 Cr.

5T X 5T Strategy

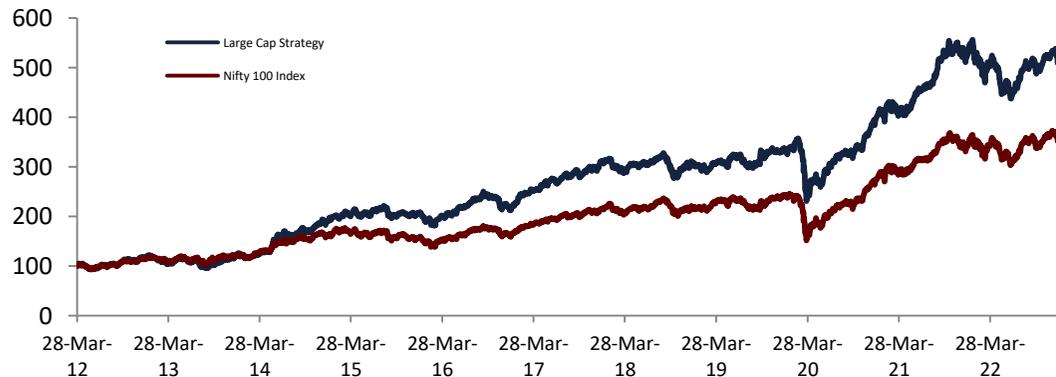
5T X 5T Strategy provides a unique theme-based investing opportunity in the Indian market. As India approaches towards becoming a 5 trillion economy by GDP, the total Market Cap of Indian companies will also set to increase by 11-12% CAGR. Some of the market cap gains will come from new listings but 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.

Portfolio Attributes	
Fundamental	
Growth	28.1%
Return On Equity	20.6%
Valuation	24.7%
Holdings	
No of Stocks	16
% Assets in top 10 holdings	78%
% Assets in Next 5 holdings	19%

Price Performance Vs Benchmark (CAGR) (December 2022)		
	5T X 5T	Nifty 500
1 Year	-4.4	3
3 years	17.3	16.1
4 Years	16	13.9
5 Years	12.6	10.2
7 Years	16.1	12.6
Since Inception (4 th May 2015)	16.1	11.2

Please note: 1yr - ABSOLUTE returns & the rest -CAGR returns

5T X 5T Return Profile vis a vis Nifty 500 (Rolling Returns*)				
Year	Current	Average	Best	Worst
3 Month	2.4/4.2	4.2/3.2	29.7/33.3	-30.4/-36.7
6 Month	15/15.4	8.4/6.5	47.8/49.2	-27.9/-34.2
1 Year	-4.4/3	18.4/14.5	89.1/98.9	-24.3/-34.3
2 Year	14.3/15.8	18.6/14.5	49.2/53.4	-9.5/-15.8
3 Year	17.3/16.1	16/11.3	27.5/22.6	-0.7/-7.6
4 Year	16/13.9	15.2/10.6	21.5/16	6.8/-0.7
5 Year	12.6/10.2	16.5/11.8	22.6/17.6	9.1/0.9



Please Note: Data as on 31st Dec, 2022. The 1 year and less than one year returns are ABSOLUTE returns & rest are CAGR returns.

*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.

Rs.1 Crore Invested in 5TX5T Strategy at Inception is worth Rs. 3.1 Cr. as on 31st December 2022. For the same period Rs.1 Cr. Invested in Nifty 500 Index is now worth Rs. 2.2 Cr.

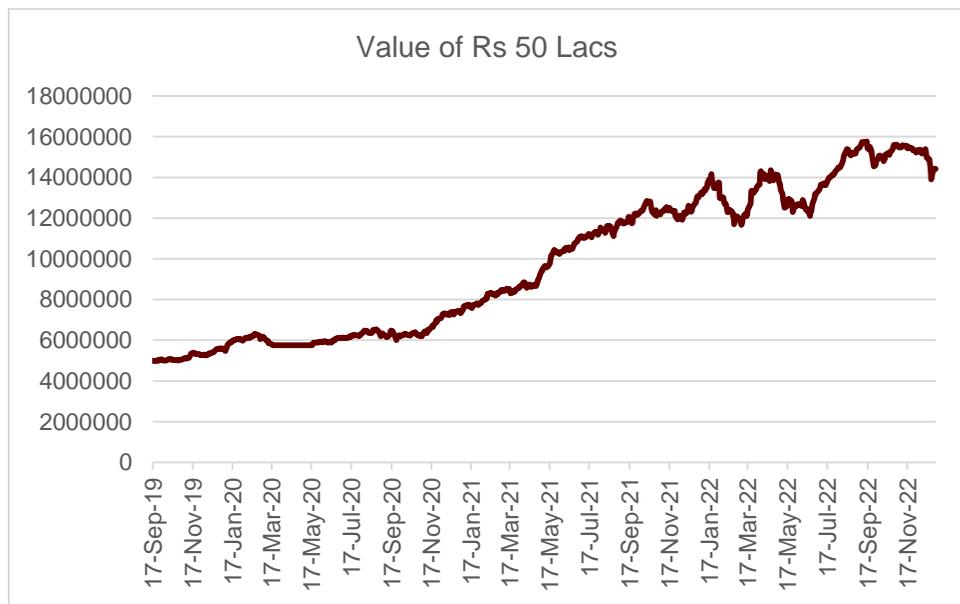
Fusion Opportunity Strategy

Investment Objective

The objective is to capture significant price rise in companies selected with the twin advantage of Fundamental Analysis (to catch the right company) and Quantitative Analysis (to catch the right trend in Sector and Capitalisation). The portfolio is suitable for investors looking for absolute returns with Stock Pickers' Style of Investment. The portfolio provides advantage of relatively low volatility with high returns

Portfolio Contour

The portfolio at a time will consist of maximum of 8 stocks to provide superior returns. Stocks may be from all the three segments namely - large, mid and small cap segments of the market. The portfolio is free of Sector and Cap bias.



NS Fusion Opportunity - Portfolio Statistics

Trade Statistics	Value	Risk Return Statistics	Value
No of trades	115	Return	188.5
Winning Trades	88	Annualized return	38.0
Win Ratio	76.5	Max Drawdown	-17.6
Average Win in Winning Trades	14.2	STD Dev	19.5
Average Loss in Losing Trades	-11.5	Sharpe Ratio	2.0
Average profit per trade	8.2		

NS Fusion Opportunity - Portfolio Performance

Period	1M	3M	6M	1Y	2Y	3Y	Since Inception
Absolute Return %	-5.2	-2.7	9.1	10.9	96.9	159.3	188.5
CAGR %	-	-	-	-	40.3	37.4	38.0

Please Note : This is an Absolute Return Portfolio which is Benchmark Agnostic.

Data as on 31st Dec 2022

Key Investment People



SHAIENDRA KUMAR

Co-Founder & Chief Investment Officer

Shailendra Kumar is currently the Chief Investment Officer at Narnolia. He has experience of successfully managing PMS and cat III AIF. Under Shailendra's leadership Narnolia has received numerous awards including 'Most Consistent Portfolio Manager' and is considered premium investment advisory firm. Shailendra co-founded Narnolia Securities in 1997. He is known for his deep understanding of Investment theories, Stock-selection and Portfolio allocation. He has successfully developed and implemented all four major investing and trading strategies namely, value, growth, reversion and momentum. His preferred investing style is 'growth in value'. Shailendra has a strong academic orientation having authored as well as mentored numerous financial publications. He has done extensive work on corporate valuation and derivative pricing. He has written as well as guided several finance research papers. Shailendra holds a post-graduate degree in Management & Systems from Indian Institute of Technology, Delhi.



VINEETA SHARMA

Head of Research

Vineeta Sharma is the Head of Research at Narnolia. Vineeta has been in Equity research and investment industry for more than 16 Years. Over the years she has evolved her distinct style of growth stock investing which includes a proprietary process of fundamental analysis based on detailed financial modeling and bottom-up analysis of the company's financial and operating environment. She leads a team of 32 research Analysts covering 192 stocks across 18 industries. Under her leadership, the team has recommended 30 multi-baggers in last 30 quarters. She is known in the industry for her stock-selection and recommendation and for her grip over the accounting principles and Financial Statements. She is a qualified Chartered Accountant and holds Bachelor of Commerce (Hons.) degree from Delhi University, India.

Investment Terms

Minimum Investment: 50,00,000 INR | Management Fee: Fixed (Option 1) & Variable Fee Structure available (Option 2)

Fixed (Option 1): Annualized 2.5% Debited Monthly | Variable (Option 2): : 1.25% Fixed + 12.5% (Above hurdle of 10% with Catch-Up) (No sharing above 27% Annualized Returns) | Exit Load: Within 1 Year - 1% of AUM on Redemption Date, 1 Year & Above: NIL; Brokerage - At Actual;

Other Charges: Statutory/Other Charges as applicable (STT/Demat/Goods & Services/Custodian Charges etc.)

Portfolio Manager: Narnolia Financial Services Ltd. | SEBI Registration No.: INP000006420

Custodian: Orbis Financial Corporations Ltd | Fund Accounting: Orbis Financial Corporations Ltd

Auditor: A Singhi & Co. | Banking Partner: Indusind Bank

Portfolio Manager: Narnolia Financial Services Ltd. | SEBI Registration No.: INP000006420

For any queries related to PMS please send us an email at pmscare@narnolia.com

Narnolia[®]

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