Promising Bluechips

Equity Advisory

Marketgoogly
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PROMISING BLUECHIPS PORTFOLIO – SUMMARY

✦ INVESTMENT OBJECTIVE

The aim is to generate long term returns that identifies high quality business that can stand test of time and create wealth over years to come.

✦ IS THIS MODEL PORTFOLIO FOR YOU?

This model portfolio is suitable for the investors who seeks healthy return with risk return trade off that aims to outpace inflation by a good margin. It is important to have a long-time horizon while investing in direct stocks because if there is a severe downturn in the market, an investor will need plenty of time to make up for the decline in value. The expected average rate of return from a value portfolio is 15-19% over time.

No of stocks – 8-10 stocks
Stock portfolio - Minimum exposure of 9% and maximum 12-13% to avoid concentration risk.
Time horizon – Min 1 Year
Benchmark Index - Nifty 50

This chart shows the portfolio's cumulative monthly performance starting from Oct 2017 until the latest month end compared against NIFTY 50's cumulative returns as benchmark.
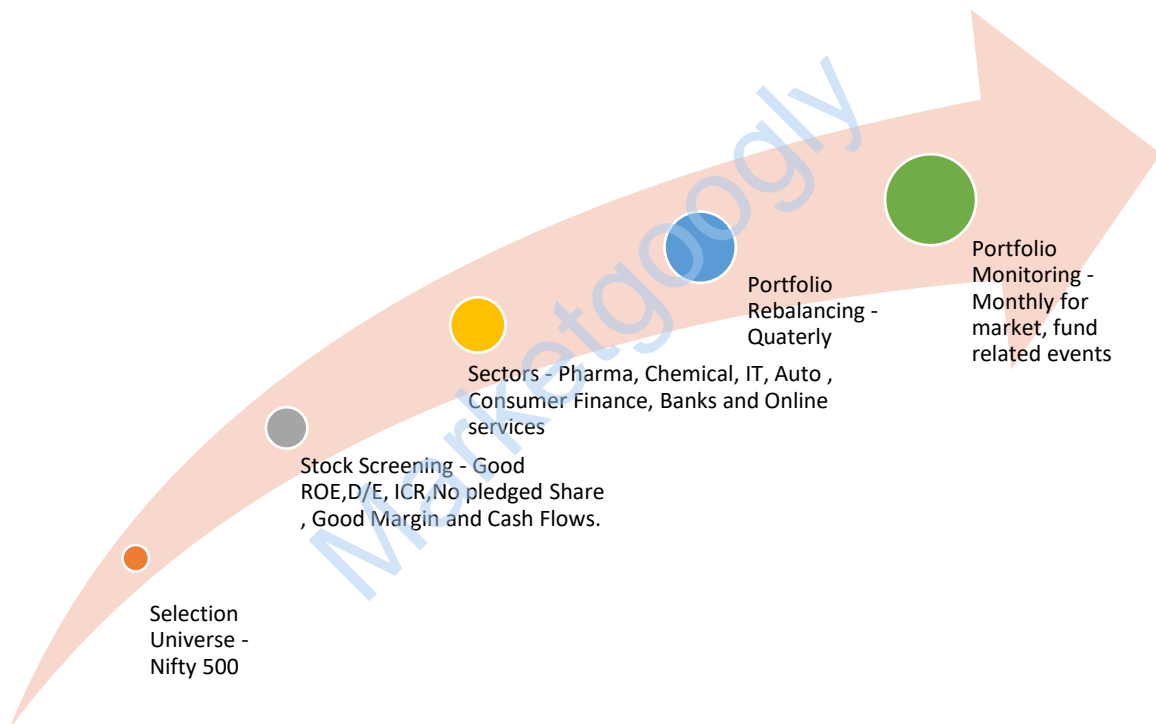**Promising Bluechips Portfolio's performance against NIFTY50**
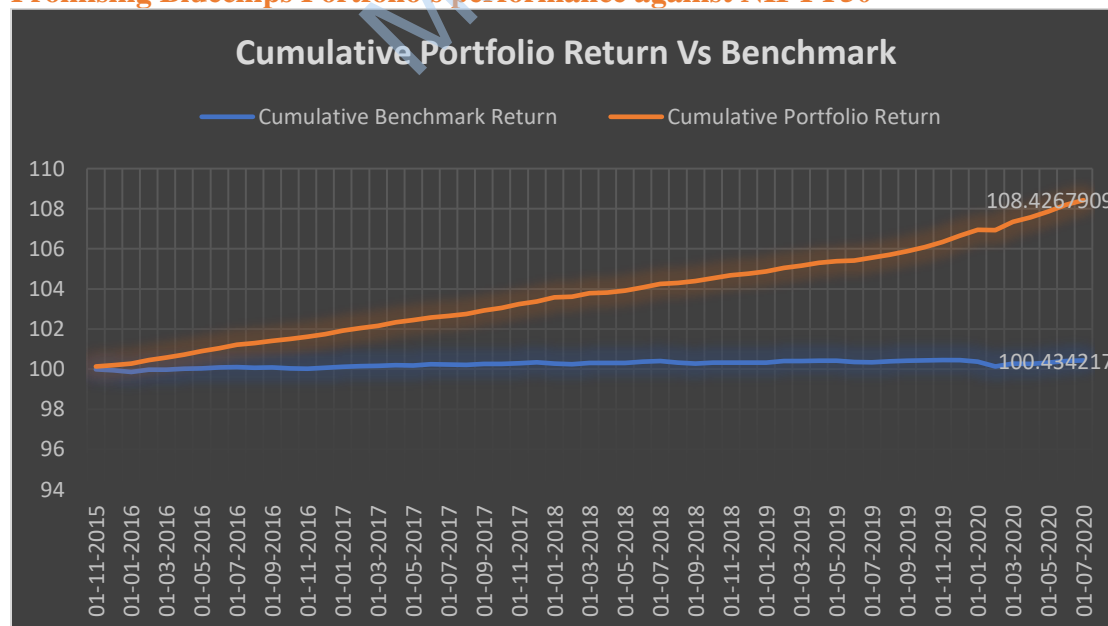
⬩ STRATEGY

Buy and Hold investments with a time horizon of at least 1 year in stocks with moderate risk and consistent performance.

⬩ METHODOLOGY

Selection Universe - Nifty 500

Stock Screening - Good ROE,D/E, ICR,No pledged Share , Good Margin and Cash Flows.

Sectors - Pharma, Chemical, IT, Auto , Consumer Finance, Banks and Online services

Portfolio Rebalancing - Quaterly

Portfolio Monitoring - Monthly for market, fund related events

⬩ STOCK SCREENING APPROACH

For portfolio construction, this Model Portfolio consists of stocks having solid fundamentals with positive financial trend from Nifty 500. These parameters include Debt to Equity, Return on Equity, profitability ratios, and trendline analysis of some of these parameters. Some of the screening criteria used for the portfolios are that the Debt to Equity ratio should be low, no pledged shares, increasing cash flows and good margins as compared to peers in the same sector. The stocks selected belong to different sectors/industries ensuring good diversification and liquidity.

Sectors

We are slightly overweight on sector likely to outperform in current market scenario like pharma and IT and have stocks across sector to ensure good diversification.

Portfolio Rebalancing

Portfolio is rebalanced once in a quarter to bring back the sectoral allocation at desired level and for an in-depth stock level check.

Portfolio Monitoring

Model Portfolios are monitored on a monthly basis to assess any exit/entry required based on market events, significant sector level changes, any company specific announcement, analyst reports or any corporate governance issue.

Investor Profile

1. A low risk taker 20 – 30 Years old investor with limited liabilities and above average savings rate.

2. A medium risk taker 35 – 50 years old investor with dependents and high savings rate and a fair allocation already done to mutual funds for meeting their retirement goals.

3. A medium-risk taker above 50 years old investor has retired and looking for healthy returns with good risk return trade off.

Important Dates
Market Cap Category – Largecap
Last Rebalancing on – Sep 22, 2020
Next Rebalancing on –Dec 22, 2020

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