



All in 1

Low cost flexible mandate smallcase to survive market ups & downs while delivering alpha

High Volatility

3Y CAGR
31.76% Since: August 14, 2020

smallcase rationale

Actively managed, all-weather smallcase which deploys a unique "All in 1" strategy:

- **Asset Allocation:** Allocate among Equity/Debt/Gold. We may be 100% equity to reap the upside when market is down and then add defensive components to protect the gains after upside.
- **Flexibility:** We move across Large, Mid and/or Small cap segments as per their relative attractiveness. This flexibility gives us an edge.
- **Focused:** Just 10-20 stocks to unlock the power of focus which will combine with debt ETFs to form a unique approach.
- **Ultra Low Cost:** 0.98% per year. So, ₹980 per year per lakh. This is billed monthly, ₹82 (₹980/12) per month per lakh of investment. Cheaper than buying few kg of onion these days. To ensure, investors remain invested for long term without worrying about costs for real compounding to take place.
- **Rebalance:** As and when needed. We don't rebalance too often. These are low churn, high conviction stocks. On average, rebalance is around once a quarter or six months.

Overall, a smallcase that combines triple power of 1) Focused Approach 2) Flexibility of asset allocation 3) Low cost structure. Since it takes care of everything, we named it - "All in 1"

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[Invest in this smallcase here](#)

Methodology



Defining the universe

All publicly traded companies on the National Stock Exchange of India are included in the universe



Research

Stock are selected by a multi-layered, water-tight process.

- Initial screening is conducted based on fundamental analysis on over 500 stocks. We look for companies which are able to manufacture superior products with lesser capital consumption and are audit compliant.
- This list is narrowed down by conducting accounting forensics to remove potentially frauds.
- Third step is to further narrowed by doing a channel check, product review & feedback from distributors & customers.
- By this stage typically just 25 (out of 500) stocks will make a cut. These 25 stocks are brainstormed to apply human intelligence.
- The final result is a list with just 10 stocks. These hand-picked stocks typically have a high business moat & run by a management with prudent capital allocation skills which translates into a strong balance sheet with a great earnings visibility.

Once we do this right, chances of going wrong reduces significantly and great returns can be made.



Constituent Screening

The research team does individual stock picking after going through company reports and decides on a list of qualitative and quantitative parameters to be considered while screening stocks for the respective strategy



Weighting

Following parameters are considered in this smallcase

- Market Leadership
- Management quality and vision
- Geopolitical & Regulatory Situation
- Accounting Forensic
- Channel Check
- Product Feedback



Rebalance

This smallcase will be rebalanced on an as-needed basis



Asset Allocation

Smallcase allocation can vary from 0%-100% Equity & 100%-0% Debt or Gold Funds. We want to preserve gains made during bull run by going defensive, while reaping bull market gains by becoming aggressive. This flexibility allows us make stable yet high return over years

Ratios

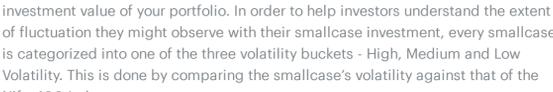
| Ratio | smallcase | Equity Multi Cap |
|--------------------|-----------|------------------|
| PE Ratio | 39.59 | 24.95 |
| PB Ratio | 3.91 | 3.99 |
| Sharpe Ratio | 1.06 | 1.16 |
| Dividend Yield (%) | 0.36 | 1.17 |

Important Fields

Inception Date **August 16, 2016** Launch Date **August 14, 2020** Marketcap Category **Equity Multi Cap**

Review Frequency **Need Basis** Last Reviewed **January 20, 2022** Next Review On **To Be Decided**

Market Cap Distribution



Live Performance vs Equity Multi Cap

● All in 1 vs ● Equity Multi Cap

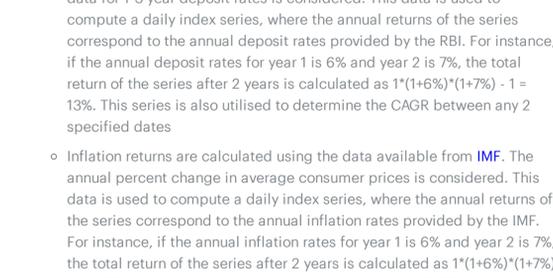


Note: Live performance includes rebalances. It is a tool to communicate factual return information and should not be seen as advertisement or promotion.

Returns over various periods

| 3M Returns | 6M Returns | 1Y Returns | 3Y Returns |
|----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| smallcase 16.19% | smallcase 30.5% | smallcase 44.87% | smallcase 74.69% |
| Equity Multi ... 7.72% | Equity Multi ... 17.12% | Equity Multi ... 21.34% | Equity Multi ... 67.61% |

How to subscribe



How to invest



Definitions and Disclosures

CAGR

CAGR (compounded annual growth rate) is a useful measure of portfolio or performance of a portfolio. Every year returns generated by a growth are different. Let's say if a portfolio is live for 3 years and returns generated by the portfolio are 5%, 15% & -7%, respectively in the first, second and third year. Then we calculate CAGR as a return number that would give the same terminal investment value at the end of three years, as we get when the portfolio gains by 5% & 15% in the first two years and drops by 7% in the third year. The CAGR in this case would be 3.94%. This means that you will always end up with the same investment value at the end of the third year, if your portfolio gains by 3.94% every year or 5%, 15% and -7%, respectively in the first, second and third year.

In simple words, it indicates the annual return generated by the smallcase from the date of launch. For smallcases live for less than 1 year, absolute returns in the applicable time period are shown. Only live data is considered for all calculations. Returns and CAGR numbers don't include backtested data.

P.S. - CAGR calculation methodology got updated from 25th Apr'22 on all smallcase Platforms. Please read [this post](#) to understand the changes in detail

Volatility Label

Changes in stock/ETF prices on a daily basis result in fluctuations in the investment value of your portfolio. In order to help investors understand the extent of fluctuation they might observe with their smallcase investment, every smallcase is categorized into one of the three volatility buckets - High, Medium and Low Volatility. This is done by comparing the smallcase's volatility against that of the Nifty 100 Index.

If the daily change in the investment value of a portfolio is too drastic, it means prices of stocks/ETFs in the portfolio are changing very rapidly. Such portfolios have High Volatility. Investing in High Volatility smallcases means that changes in your investment values can be very sudden and drastic, whereas fluctuations in the investment value of Low Volatility smallcases are expected to be lower in comparison.

For more information about how volatility is calculated, please check [here](#)

Segment

Stocks/ETFs belonging to a smallcase are categorized under different segments. Weightage of a segment is calculated as sum of weights of all stocks belonging to that segment. Suppose 4 stocks, with each having a weight of 10%, belong to the Food Products segment. Then the weight of the Food Product segment in the smallcase will be 40% (4*10)

For smallcases where manager has not prescribed any weights, equal weights are assumed for calculations.

Review

Rebalancing is the process of periodically reviewing and updating the constituents of a smallcase. This is done to ensure that constituents in the smallcase continue to reflect the underlying theme or strategy

Market Cap Categorization of Stocks

All the stocks listed on NSE(National Stock Exchange) are arranged in decreasing order of Market Cap, so that the stock with the largest market cap gets 1st Rank. Stocks ranked equal to or below 100 are categorized as Large Cap. Stocks ranked below or equal to 250, but ranked above 100 are categorized as Mid Cap stocks. Stocks ranked above 250 are categorized as smallcap

Market Cap Categorization of smallcases

- If the sum of weights of constituent large cap stocks is greater than 50%, then smallcase is categorized as Largecap
- If the sum of weights of constituent mid cap stocks is greater than 50%, then smallcase is categorized as Midcap
- If the sum of weights of constituent small cap stocks is greater than 50%, then smallcase is categorized as Smallcap
- If the sum of weights of constituent large cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of large cap and mid cap stocks are greater than 80%, then smallcase is categorized as Large & Midcap
- If the sum of weights of constituent small cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of small cap and mid cap stocks are greater than 80%, then smallcase is categorized as Mid & Smallcap
- If none of the above conditions are met, then smallcase is categorized as Multicap

For smallcases where manager has not prescribed any weights, equal weights are assumed for calculations.

Comparison of live performance

To help investors make informed decisions, smallcase platform provide many tools. One of the tools provided on the platform is the comparison of the live performance of the smallcase. This comparison is a tool to communicate factual return information and should not be seen as advertisement or promotion. Following methodology is used to provide users different options to compare the performance of the smallcases

- All smallcases have an option to compare the live performance against returns generated by Bank FDs, Inflation and Equity asset class
 - FD returns are calculated using the data available from **RBI**. The annual data for 1-3 year deposit rates is considered. This data is used to compute a daily index series, where the annual returns of the series correspond to the annual deposit rates provided by the RBI. For instance, if the annual deposit rates for year 1 is 6% and year 2 is 7%, the total return of the series after 2 years is calculated as $1*(1+6%)*(1+7%) - 1 = 13%$. This series is also utilised to determine the CAGR between any 2 specified dates
 - Inflation returns are calculated using the data available from **IMF**. The annual percent change in average consumer prices is considered. This data is used to compute a daily index series, where the annual returns of the series correspond to the annual inflation rates provided by the IMF. For instance, if the annual inflation rates for year 1 is 6% and year 2 is 7%, the total return of the series after 2 years is calculated as $1*(1+6%)*(1+7%) - 1 = 13%$. This series is also utilised to determine the CAGR between any 2 specified dates
 - Equity returns represent the returns generated by Nifty 50 Index
- All smallcases have an option to compare the live performance against the returns generated by Equity Largecap section of the market - represented by Nifty100 index
- Each smallcase is categorized into one of the market cap categories using the methodology explained in the section above. Following options are made available, as per the marketcap category of the smallcase

| Market Cap Category | Comparable Option |
|---------------------|-----------------------|
| Largecap | Nifty 100 |
| Midcap | Nifty Midcap 150 |
| Smallcap | Nifty Smallcap 100 |
| Large & Midcap | Nifty LargeMidcap 250 |
| Mid & Smallcap | Nifty MidSmallcap 400 |
| Multicap | Nifty 500 |

General Investment Disclosure

Charts and performance numbers on the platform do not include any backtested data. Please refer to the Returns Calculation Methodology to check how returns are calculated on the platform. Data used for calculation of historical returns and other information is provided by exchange approved third party data vendors and has neither been audited nor validated by the Company. For smallcases where weights are not provided by the creator, Equal weights are used to calculate all returns, numbers and ratios on the platform.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Investors should consider consulting their financial advisor while considering any investment decisions.

Ace Equity Investor Disclosures

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