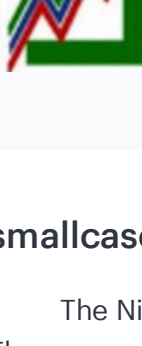




Last Updated on: 19 Mar 2024



## BM NIFTY TOP 20

Best 20 stocks from NIFTY 50

Medium Volatility

1Y CAGR  
**30.21%**  
Since: March 2, 2023

### smallcase rationale

- The Nifty 50 is a diversified set of companies bunched together as an index. These companies originate from almost all conceivable sectors and stocks. Many of the Nifty constituents lack sustainable competitive advantages in the long run. They are just to represent each corner of the economy. In the long run such companies fail to do well but in the short run they are included in the Nifty as the business may be undergoing a cyclical upturn.
- In this context that we have designed a portfolio of 20 solid names. Companies that will keep growing for longer periods of time and will deliver above average returns when compared to the underlying index - the Nifty 50.
- We have termed our smallcase offering as 'BM Nifty Top 20' that can generate alpha over a Nifty ETF that blindly mirrors the constituents of the Nifty 50. We have built this keeping in mind the lower risk appetite of many small investors that have lower capital and who want to beat the Nifty 50 and an average mutual fund over a longer-term time horizon.
- We have kept the cost in check and also ensured that these large cap growth names exhibit better returns with lower volatility.
- We were flooded with hundreds of requests from our Youtube Subscribers to do something for the small retail investor who comes to the market with limited capital and limited risk appetite.

The minimum investment in the smallcase that we recommend is Rs 3 to 5 lacs

Created by **Basant Maheshwari Investing** SEBI Reg. Number **INA000018498** Subscription Type **Paid**

[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

The team does in-depth research to decide the criteria to be used for constituent screening



#### Constituent Screening

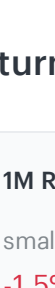
The research team does individual stock picking after going through company reports and financials and decides on a host of qualitative and quantitative parameters to be considered while screening stocks for the respective strategy



#### Weighting

Following parameters are considered while assigning weights to stocks in this smallcases

- Market capitalization
- Management quality and vision
- Theme exposure, revenues and earnings visibility



#### Rebalance

This smallcase will be rebalanced on an as-needed basis

### Ratios

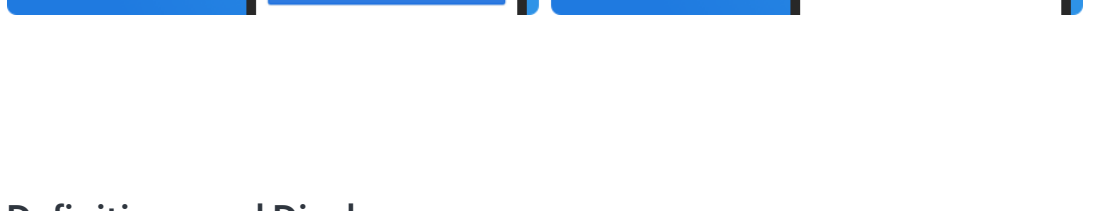
Ratio	smallcase	Equity Large Cap
PE Ratio	35.12	24.18
PB Ratio	4.53	4.28
Sharpe Ratio	3.02	1.11
Dividend Yield (%)	0.82	1.13

### Important Fields

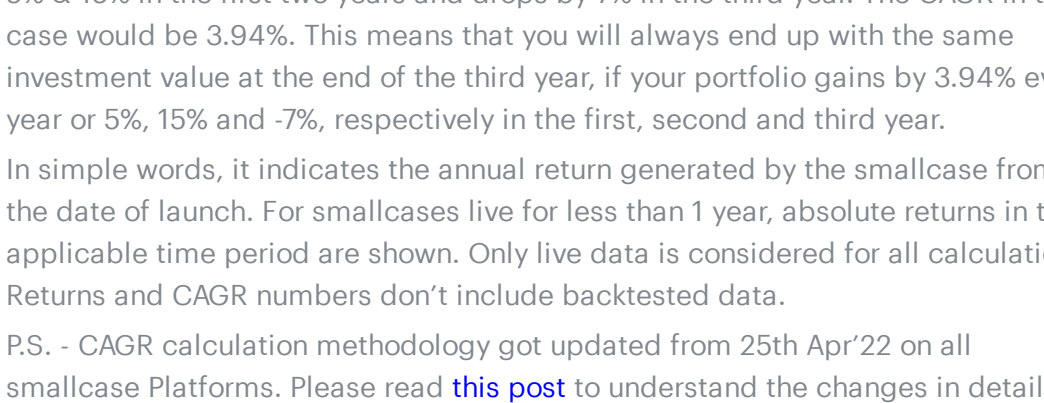
Inception Date **February 2, 2023** Launch Date **March 2, 2023** Marketcap Category **Equity Large Cap**

Review Frequency **Need Basis** Last Reviewed **September 18, 2023** Next Review On **To Be Decided**

### Market Cap Distribution



### Live Performance vs Equity Large Cap

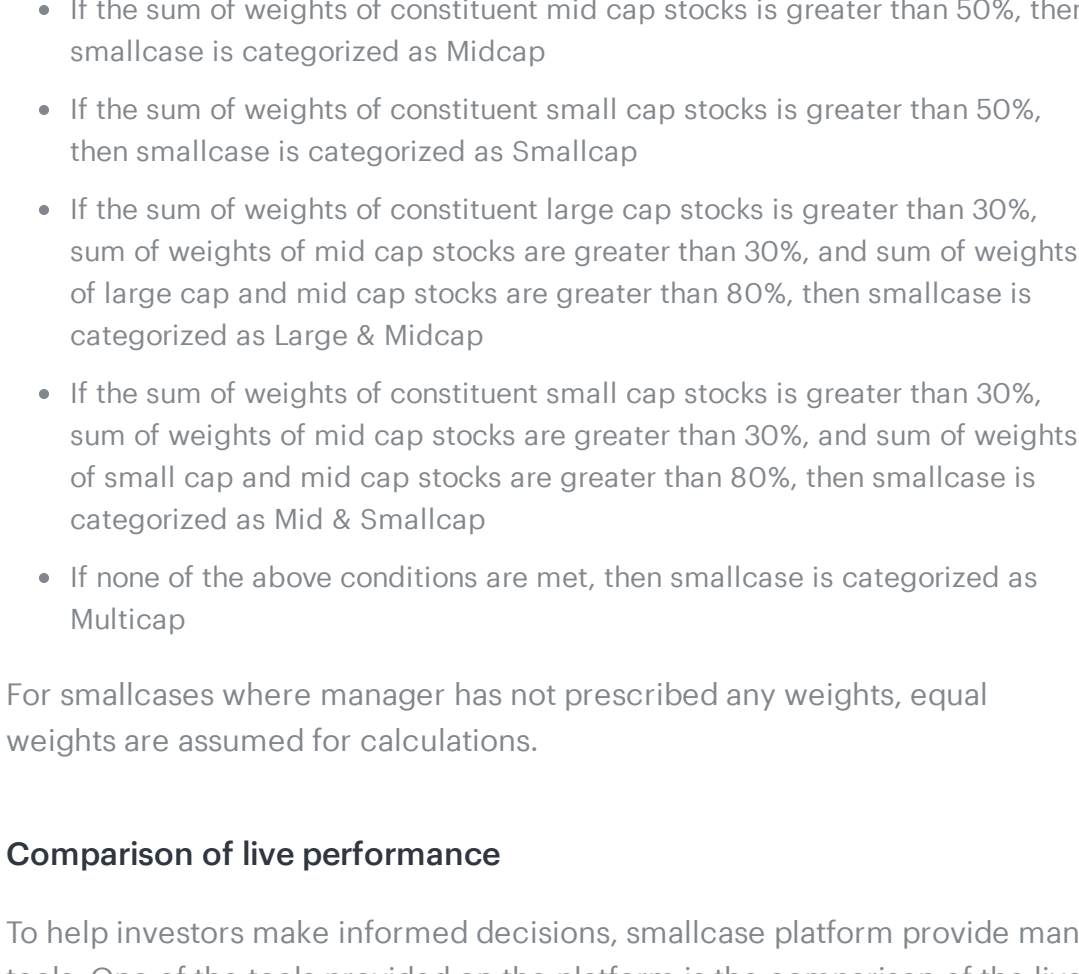


Note: Live performance includes rebalances. It is a tool to communicate factual return information and should not be seen as advertisement or promotion.

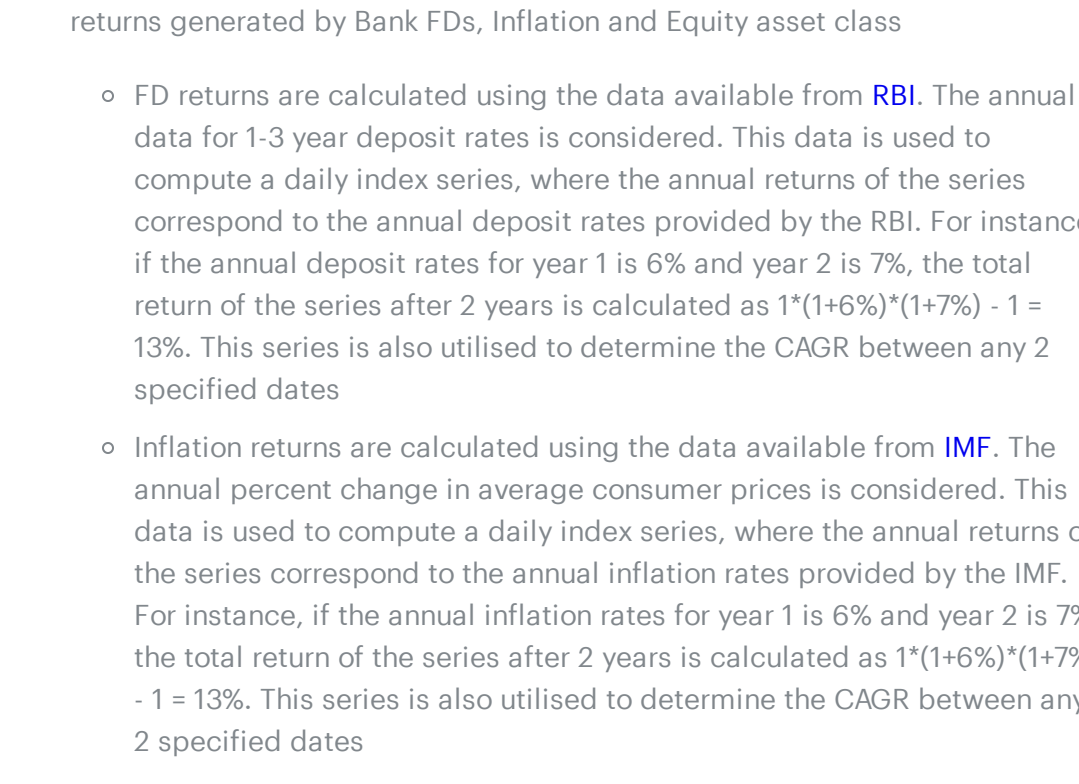
### Returns over various periods

1M Returns	3M Returns	6M Returns	1Y Returns
smallcase <b>-1.5%</b>	smallcase <b>1.17%</b>	smallcase <b>8.44%</b>	smallcase <b>34.21%</b>
Equity Large... <b>-0.34%</b>	Equity Large... <b>5.99%</b>	Equity Large... <b>14.57%</b>	Equity Large... <b>33.75%</b>

### How to subscribe



### How to invest



### Definitions and Disclosures

#### CAGR

CAGR (compounded annual growth rate) is a useful measure of growth or performance of a portfolio. Every year returns generated by a portfolio 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 to 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.

#### Basant Maheshwari Investing Disclosures

Basant Maheshwari Wealth Advisers LLP is registered with SEBI with INA000018498 as the SEBI registration number. The registered office address of Basant Maheshwari Wealth Advisers LLP is Office No. 701, 7th Floor, Plot - 211, Dalamal Tower, Free Press Journal Marg, Nariman Point, Mumbai - 400021, . The manager is a member of BASL with Membership Number BASL2079.

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The Scope of Services covered is as follows:

- Advise the Client regarding the Securities to be purchased or sold or Investments to be made as per the applicable law for the time being in force and Investment Pattern applicable to class of investor;
- Review, evaluate, structure and monitor Investments so as to achieve the Client's objectives;

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- After exhausting all available options for resolution of the grievance, if you are still not satisfied with the outcome, you can initiate dispute resolution through the ODR Portal. ODR is a common Online Dispute Resolution Portal ("ODR Portal") which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market. ODR Portal can be accessed via the following link – <https://smartodr.in/>

#### Contact Details:

Support Telephone: 8591866511  
Support Email: [support@basantmaheshwariinvesting.com](mailto:support@basantmaheshwariinvesting.com)

#### Compliance Office Details:

Name: Rashmi Choudhary  
Email: [info@theequitydesk.com](mailto:info@theequitydesk.com)  
Contact: 02249707226

#### Grievance Office Details:

Name: Rashmi Choudhary  
Email: [compliance@theequitydesk.com](mailto:compliance@theequitydesk.com)  
Contact: 02249707226