

Equity & Gold

Wealth allocation between Equities & Gold using ETFs

Low Risk

Index Value

337.19

CAGR

10.57%

smallcase rationale

This smallcase invests in Equity & Gold, fixing their weights to 70% and 30%. smallcase invests in large-cap companies using Nippon India ETF Nifty Bees

- Large cap companies are usually well established and the chances of such companies going bust are low
- Adding such stocks to the portfolio increases stability of the portfolio as their stock prices are not very volatile. They are also best suited for long term wealth creation

smallcase invests in Gold using Nippon India ETF Gold Bees

- Historically gold has maintained its value and is the best form of hedge against inflation and geo-political uncertainties
- Since price of gold is negatively correlated with price of stock, the former is a very effective portfolio diversifier

Created by	SEBI Reg. Number	Subscription Type
smallcase Research	INH200005984	Free

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Methodology



Defining the universe

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



Research

smallcase Research studies research papers and documents various asset allocation algorithms & strategies. Algorithms are further developed & adapted to suit the Indian market conditions



ETF Screening

- Proprietary liquidity filters are applied to select ETFs that are liquid
- Selected ETFs are divided into three categories : Equity, Gold, Fixed Income



Asset Allocation

The final screened ETFs are then weighted according to the selected asset allocation algorithm



Historical back-testing

All ETF-based asset allocation strategies are checked for historical outperformance over a minimum of 10 year period. Only consistently outperforming asset allocation models are selected



Rebalance

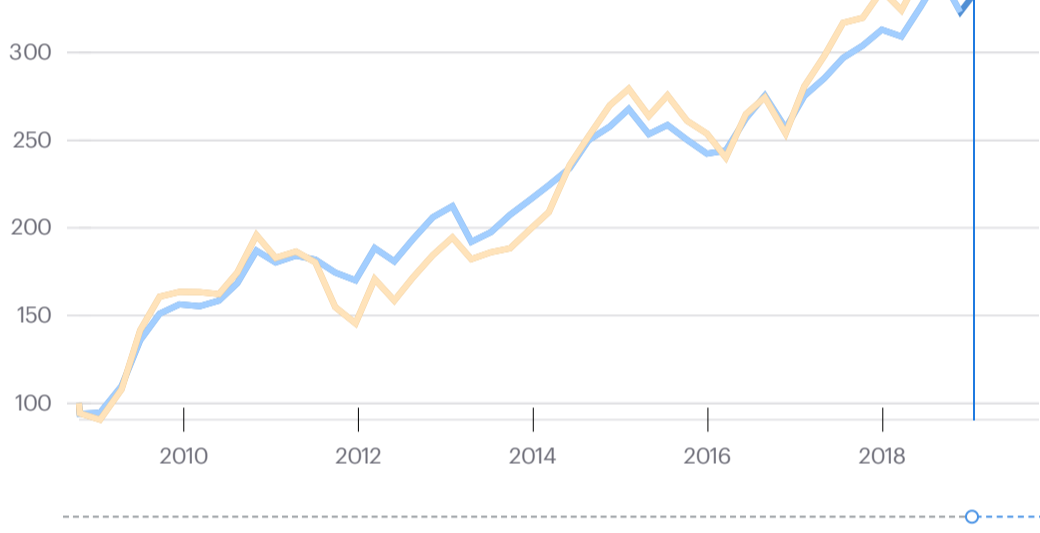
This smallcase has a quarterly rebalance schedule. Once every quarter, the research team reviews this smallcase and realign the weights with the selected asset allocation strategy for the next quarter

Important Dates

Inception Date	Launch Date	Benchmark
June 29, 2007	January 16, 2019	NIFTY
Review Frequency	Last Reviewed	Next Review On
Quarterly	September 28, 2019	December 28, 2019

Past Performance Comparison with NIFTY

● Equity & Gold with ● NIFTY



Returns over various periods

6M Returns	1Y Returns	3Y Returns	5Y Returns
smallcase 5.37%	smallcase 12.43%	smallcase 39.24%	smallcase 41.75%
NIFTY -1.43%	NIFTY 7.97%	NIFTY 40.94%	NIFTY 35.43%

Definitions and Disclosures

Index Value

Index value for all smallcases start from 100 since their inception date and helps investors easily calculate the returns generated since inception or between two specific dates. For example, if the current index value of the smallcase is 150, it means it has generated 50% since its inception. If the index value of a smallcase was 215 last month and the current index value is 245, it means it has generated $(245/215)-1 = 13.9\%$ return in last one month

CAGR

CAGR (compounded annual growth rate) is a useful measure of growth or performance of a portfolio. It represents the growth/return rate that gets you to the current value of the investment, starting from the initial investment value and assuming that investment has been compounding at the fixed growth/return rate for the period.

In simple words, it indicates the annual return generated by the smallcase from the date of inception

Risk Label

Change in value of your investment, due to changing prices of stocks on a daily basis is called the Risk. If the daily change in the investment value of portfolio is too drastic, it means prices of stocks in the portfolio are changing very rapidly. Such portfolios have High Risk.

Every smallcase is categorized into one of the three risk buckets - High Risk, Moderate Risk and Low Risk. This is done by comparing the volatility of the smallcase with market volatility since inception. Investing in High Risk smallcases means that change in your investment values can be very sudden and drastic.

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)

Review

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

Disclosure

smallcases are only created by SEBI registered Research Analysts, Investment Advisers and Portfolio Managers. Details like Name and SEBI registration number of the creator of this smallcase can be found on the first page of the factsheet.

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