

Samvat 2068

inditrade

26 October, 2011

*"May this Diwali spread the Light of incessant Happiness,*

*Peace, Prosperity, and Good Health*

*throughout your life"*





## JRG 20

### The self catering systematic investment scheme

While the domestic economy is struck with high inflation and high interest rates and the Global economy shivers with Euro zone debt crisis and economic problems in US, investors tend to become overcautious and hesitant while investing, especially in the highly volatile equity markets. At times investors get stuck in the trap made by their own wrong decisions or indecisiveness in different market situations.

To bring a self imposed discipline among the investors while investing in the equity market, JRG Equity Research is introducing a new portfolio investment scheme of fundamentally strong stocks which portray an investment pattern similar to that of a systematic investment model, particularly targeting those investors who have long term investment desires in the capital market. **JRG 20** is such a product that promotes an ongoing and disciplined investment process.

We believe that investing in stocks is a simple process that requires planning and timing. Adopting a systematic approach of investment can help achieving the goals with reduced risk; and also helps keeping emotions out of the process.

**JRG 20** is constructed based on stocks which possess one or more of the following features: Market leadership, Company's long-term business models, Solid balance sheet, and Attractiveness of valuations. Strong earning visibility, Dominant presence, Better fundamentals and Strong brand value are the cardinal factors that we considered during the stock selection.

In the current market scenario, where high uncertainty and high interest rates are the key concerns, these stocks, even if they fail to fetch any surprise returns in the near future, one can have the assurance that they will not disappoint.

# JRG 20

## The self catering systematic investment scheme

The key highlight of this plan is that, it does not require investor to find huge amounts of money for a one-time outlay in the market, but only a small amount is needed to take part in the market at regular intervals. Another outstanding feature of this plan is that the recurring investment allows the investors to participate in the market at various levels and conditions so that they will not miss the advantages they can enjoy from the favorable market and also they can average off their losses if any. All these features make this plan more convenient and investor friendly.

**JRG 20** will be a 'self-managed systematic investment scheme'. The following are the list of the 20 stock picks to constitute **JRG 20**. We strongly advise the clients to construct the portfolio as per the weightage assigned to each stock. We also advice to manage the portfolio as per the time-to-time instructions and advises from the JRG Research.

### JRG 20 Constituent Companies

No:	COMPANY	SECTOR	CMP	ASSIGNED WEIGHT	FV	MARKET CAP	P/BV	ROE (%)	YIELD (%)	TTM EPS	TTM PE
1	M&M	AUTO- LCV	853	7.00%	5	52385	3.68	26.24	1.35	50.16	17
2	GOODYEAR	AUTO - TYRES	290	4.00%	10	670	2.26	31.23	2.41	30.24	9.6
3	INDIA NIPPON	AUTO - PARTS	161	4.00%	10	183	1.1	15.95	4.2	19.07	8.47
4	TCS	SOFTWARE	1099	5.00%	1	215157	7.38	43.89	1.27	49.6	22.1
5	ADITYABIRLA NUO	DIVERSIFIED	873	7.00%	10	9908	0.38	7.6	0.63	72.43	12.05
6	GODREJ INDUSTRIES	DIVERSIFIED	196	4.00%	1	6232	3.19	12.78	0.9	9.95	19.73
7	ITC	DIVERSIFIED	211	6.00%	1	163994	10.1	33.35	2.11	6.45	32.7
8	THERMAX	ENGINEERING	437	4.00%	2	5213	3.96	23.64	2.06	32.03	13.66
9	TATA CHEMICALS	FERTILIZERS	320	6.00%	10	8154	1.43	9.06	3.12	25.1	12.8
10	YESBANK	FINANCE- BANK	306	5.00%	10	10766	2.53	21.13	0.82	24.06	12.73
11	AXIS BANK	FINANCE- BANK	1119	5.00%	10	46152	2.44	19.34	1.25	80.98	13.82
12	LIC HOUSING	FINANCE-HOUSING	218	4.00%	2	10350	2.47	25.79	1.61	20.05	10.87
13	FORTIS	HOSPITAL	122	5.00%	10	4941	1.68	6.18	0	3.77	32.36
14	HINDALCO	METALS	125.5	4.00%	1	24026	0.83	7.42	1.2	12.83	9.78
15	KSCL	AGRI - SEEDS	473	5.00%	10	646	2.67	21.07	0.53	46.6	10.1
16	KANSAI NEROLAC	PAINT	835	4.00%	10	4500	6.52	24.4	0.72	19.06	43.8
17	PFIZER	PHARMA	1334	6.00%	10	3982	4	20.98	0.94	45.95	29.04
18	SUNPHARMA	PHARMA	500	5.00%	1	50026	5.15	22.32	0.7	17.36	28.8
19	MAHINDRA LIFE	REALTY	296	4.00%	10	1210	1.14	10.43	1.69	26.49	11.18
20	RELIANCE	OIL & GAS/ REFINERY	875	6.00%	10	286523	1.93	14.78	0.91	58.92	14.85

\*ASSIGNED WEIGHT: This is the weightage assigned to each stock in the portfolio

The detailed report on **JRG 20** will be released on the November 1, 2011.

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