

Headline: Which Strategy works best for your portfolio?

Source: ET Wealth

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CNX High Beta

WHAT ABOUT IT: CNX High Beta Index, made up of 50 diversified stocks, aims to measure the performance of NSE stocks that have high beta, relative to the market.

WHY IT MATTERS: Beta is the movement in a stock's returns in relation to market returns. A beta of less than 1 means the security will be less volatile than the market. A beta of greater than 1 means the security will be more volatile. You can use beta to enhance or lower portfolio risk.



RETURNS

YTD	-22.9%
1 year	-13.08%
5 year	-11.27%

P/E 17.33
P/BV 0.63
Beta (5 yr) 1.58
Nifty correlation (5 yr) 0.84

- TOP 5 STOCKS**
- Unitech
 - HDIL
 - Indiabulls Real Estate
 - India Cements
 - NCC

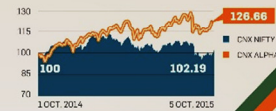
CNX Alpha

WHAT ABOUT IT: CNX Alpha Index measures the performance of securities with high alphas. It is a 50 stock index accounting for 12 sectors.

WHY IT MATTERS: Alpha measures how a security performs vis-a-vis expected return, which is based on its risk (beta). For example, if a stock's beta is 1.3, and the benchmark rises 5%, it is expected to gain 6.5% (5% x 1.3). If it gains 7.5%, the alpha comes to 1% (7.5% minus 6.5%). High alpha translates to above average returns.

TOP 5 STOCKS

- Kitex Garments
- Britannia Inds.
- Bajaj Finance
- PC Jeweller
- Suven Life Sciences



RETURNS

YTD	10.51%
1 year	23.39%
5 year	17.01%

P/E 34.07
P/BV 7.08
Beta (5 yr) 0.85
Nifty correlation (5 yr) 0.8

WHICH STRATEGY WORKS BEST FOR YOUR PORTFOLIO?

As an investor, do you look for stocks that represent specific investment strategies like value, quality, high beta, low volatility or dividends? Indices specifically created to cater to such strategies can help in your portfolio construction. **Sanket Dhanorkar** presents a snapshot of six such indices.

CNX Dividend Opportunities

WHAT ABOUT IT: The CNX Dividend Opportunities Index is designed to provide exposure to high dividend yielding companies listed on NSE. It comprises 50 companies from 24 different sectors.

WHY IT MATTERS: Identifying companies with high dividend yield and strong fundamentals is rewarding over the long run. Not only do such stocks provide a constant stream of dividends, but the likelihood of capital appreciation is also high.



RETURNS

YTD	-13.9%
1 year	-8.84%
5 year	3.3%

P/E 13.58
P/BV 1.94
Beta (5 yr) 0.83
Nifty correlation (5 yr) 0.87

- TOP 5 STOCKS**
- ITC
 - Hindustan Unilever
 - Coal India
 - ONGC
 - Bajaj Auto

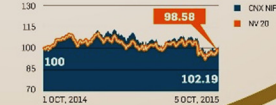
NV 20

WHAT ABOUT IT: The NV20 Index reflects the performance of a diversified portfolio of value companies in the CNX Nifty. It consists of the most liquid value blue chip companies. It is a diversified 20 stock index with exposure to 8 sectors.

WHY IT MATTERS: Buying a stock at the right price is critical. Value stocks represent the segment of stocks that are trading cheap relative to growth potential of the business. Such stocks can potentially lead to outsized returns.

TOP 5 STOCKS

- Infosys
- ICICI Bank
- Reliance Inds.
- TCS
- Axis Bank



RETURNS

YTD	-8.03%
1 year	-3.26%
5 year	6.86%

P/E 15.85
P/BV 2.37
Beta (5 yr) 0.58
Nifty correlation (5 yr) 0.86

CNX Low Volatility

WHAT ABOUT IT: CNX Low Volatility Index aims to measure the performance of the least volatile securities listed on NSE. Weights of securities in the index are assigned based on the volatility values. Least volatile security in the index gets the highest weight.

WHY IT MATTERS: In order to derive the volatility of the securities, the index considers the standard deviation for each stock for the last one year. Lesser standard deviation indicates that the stock's return does not deviate too much from the mean. This can be used by conservative investors to construct a portfolio of securities not prone to high degree of price fluctuations.

TOP 5 STOCKS

- Maruti Suzuki
- HDFC Bank
- Infosys
- Div's Labs
- Wipro



RETURNS

YTD	6.44%
1 year	14.17%
5 year	11.18%

P/E 24.54
P/BV 3.88
Beta (5 yr) 0.88
Nifty correlation (5 yr) 0.81

NSE Quality 30

WHAT ABOUT IT: NSE Quality 30 Index aims to cover companies which have a durable business model resulting in sustained growth. The index consists of 30 companies selected based on low gearing, high return on equity and profit growth in previous 3 years.

WHY IT MATTERS: Companies that boast of strong fundamentals can remain on a strong footing even in the face of an economic downturn. During uncertain times, these are stocks that investors flock to.

TOP 5 STOCKS

- Infosys
- ITC
- TCS
- Sun Pharma
- Maruti Suzuki



RETURNS

YTD	3.55%
1 year	5.12%
5 year	12.75%

P/E 32.84
P/BV 7.39
Beta (5 yr) 0.75
Nifty correlation (5 yr) 0.89

Source: NSE
Compiled by ETIG Database