



I am happy to share with you that, NEGEN Capital PMS has earned a CAGR of 29.54% over the past 2 years vs Nifty 500 at +14.97% and has remained India’s top performing PMS in the Multicap category. Negen Capital PMS maintains its highest ‘5 Star’ rating as Pmsbazaar and CRISIL rankings for Q1FY23. Over the past 1 year, NEGEN Capital PMS has earned a total return of -3.92% vs Nifty 500 at 0.09%.

### 1. Our Investment Philosophy

1. **Idea Generation:** Most of our portfolio companies have a unique combination of Special Situation Investing. We look for ideas from Demerger and Promoter Change with Better Management. These situations have delivered Alpha Returns.

2. **MEGA Trends:** We identify Mega Trends and invest in the companies benefitting the most from them. We have been investing in Consumer Tech companies and being early in this, we generated Alpha returns.

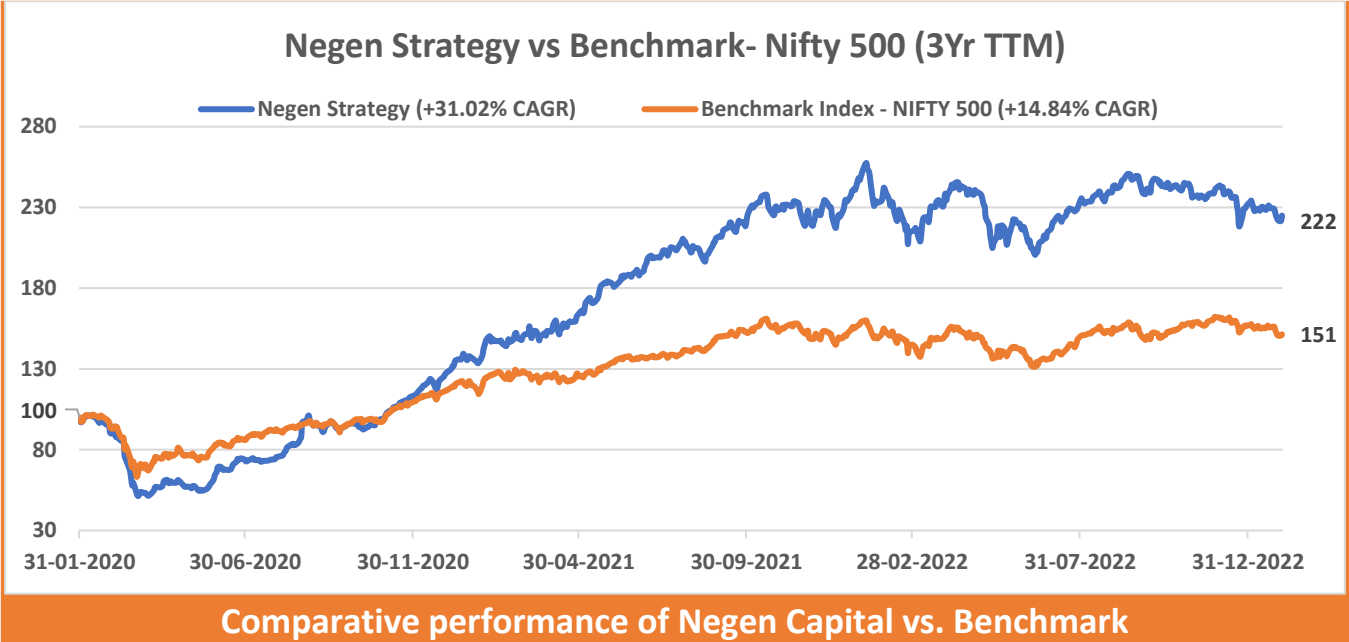
3. **Conservative Approach:** We stay away from PSU and Cyclical Investments. We have maintained ~15% CASH and are looking for future investment opportunities.

Portfolio Manager: Mr. Neil Bahal

Total Experience: 23 years

### Performance vs Benchmark- Nifty 500

Period	1 Month	1Yr (TTM)	2Yr	3Yr
Return (Absolute/CAGR)	Abs.	Abs.	CAGR	CAGR
Strategy	-2.79%	-3.92%	29.54%	31.02%
Benchmark Nifty 500	-3.32%	0.09%	14.97%	14.84%



Market Cap Graph & Input (Weighted Avg market cap)

Top 5 Sector-Holdings		Top 5 Sector-Holdings	
Speciality Chemicals		Sapphire Foods India Ltd	
11.84%		Camlin Fine Sciences Ltd	
Tech- Fintech		Piramal Enterprises Ltd	
8.95%		Cholamandalam Investments and Finance Ltd	
Restaurants - QSRs		Sundaram Clayton	
8.66%			
Pharmaceuticals			
7.34%			
Financial Services			
5.22%			

AuM Info	In ₹ Cr	Portfolio Characteristics	Fund
Aggregate Portfolio	463.31	Investment	85.25%
Avg. Market Cap	0.72	Cash	14.75%



## 2. Our Strategy

### 2.1 Strategic Risk Management

1. The PMS has been following a conservative approach and has been keeping cash as well for the uncertainties.
2. We take less risk by avoiding cyclical, commodities and PSUs.
3. We stick to Technology, IT, Demergers and Promoter change.

### 2.2 Uniquely Placed

#### 1. Special Situations: Value investing with a trigger

- I. Demergers
- II. Change in promoters

#### 2. Technology: A permanent super-cycle

- I. Indian Tech
- II. Global Tech (FAANG plus)

### 2.3 What is So Special About Tech?

1. The internet adds 3 new users EVERY SECOND.
2. 15 smartphones are sold globally EVERY SECOND
3. Due to Jio, India has seen 'Internet-i-fication'.
4. We are in the midst of an early technology revolution in India
5. A technology super cycle is in front of our eyes
6. Every single decent sized business is going to upgrade its IT infrastructure in the next few years.
7. Pure technology platforms and even the IT product & services companies should see unprecedented, structural growth.
8. These companies are typically debt free, have high RoIC, high FCF, and best of all, they have Growth.

### 2.3 Is Value Investing Still Alive?

1. Yes, but in a new avatar. They are called Special Situations.
2. Demergers & Promoter Change are two themes we closely follow.
3. A Demerger is done to unlock value.
4. New promoters buy companies to achieve big returns. This creates value for shareholders.
5. Berkshire Hathaway is the poster boy of what promoter change can do. Warren Buffett bought at \$14 and it is today at \$408,000.
6. Adani Group is a big example how a large conglomerate can incubate smaller businesses and demerge them out which creates immense value for shareholders.

7. So NO, we do not buy random, cheap stocks from market. These kinds of stocks are cheap for good reasons.
8. We buy Cheap stocks only if they demerge or if a new promoter buys the company to create value.

### 3. About the Founder

We are a Team of 10 professionals in Negen Capital PMS, led by:

**Portfolio Manager Name: Neil Bahal – 38 Years.**

**Started early at 15, having experience of 23 years into investing.**

**Education:** Studied at SP Jain Institute of Management & Research.

**We are the first adopters of Tech & Special Situation combination**

#### 3.1 Meet the Founder- Mr. Neil Bahal

**Twitter:** [twitter.com/NeilBahal](https://twitter.com/NeilBahal)

**Neil Bahal's Newsletter URL:** [Subscribe to Newsletter](#) - I share my best thoughts on the market, stocks & business trends regularly

**YouTube:** <https://www.youtube.com/c/neilbahalnegen>

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Have a look at our strategy on YouTube:



Disclaimer:

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# Negen Capital

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