

Money Multiplier

Think bigger. Think better.

WEALTH
MAXIMIZATION

MONEY MULTIPLIER PORTFOLIO

Our key objectives are, first, to protect your capital, and second, to see it grow at a healthy rate. We strive to build up a portfolio of stocks carefully chosen through a focused and disciplined approach. We are not market timers trying to predict the tops and bottoms of the market. The strategy will be to acquire equities of Great Companies at Good valuations and hold them in our portfolio till their intrinsic value is realized.

A Dedicated Offline PMS for Penny/Micro Cap Stocks

**PORTFOLIO
DESIGN**

HBJ Capital, India

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“Specialists in discovering multibagger stocks”

HBJ Capital
Let's Create Wealth



★
HBJ Cap is growing faster than ever.
HBJ Capital can be your **50x in 3 years** investment.
Ask how?
★

Aim to become #1 - Equity Research Company in India by 2012, the same year we have planned to get it listed at BSE/NSE.

The Millionaire Portfolio

What Next?

HBJ Capital – “Specialists in discovering multibagger stocks” is launching more & more innovative products & services with single focus on long term wealth creation!!!

Specialists in discovering...

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From the desk of CEO, HBJ Capital

Dear Members,

The first copy of Money Multiplier Portfolio – A Dedicated Offline PMS for Penny/Micro Cap stocks was released on 2nd Sep'10 and since then the large cap stocks have rallied, while the Small and mid cap stocks have been laggards.

In the last 20 days, the SENSEX has appreciated by almost 9% while the small cap index has appreciated by just 5%. This can be attributed to the fact that there's been bulk of buying by the FIIs who usually put in money in the large caps, while the domestic institutions and the retail investors have been sitting on the side lines with a cautious view on the market.

At MMP, we are still finding value in the small and micro cap stocks and have therefore increased our total exposure in equities by 9%. The fact that the retail investors are under invested gives a sense of confidence that the market's especially the small cap stocks are still not overheated and there could probably be a rally in small and mid cap stocks over a period of next few weeks.

Happy Investing.

Kumar Harendra, CEO, HBJ Capital, www.hbjcapital.com,

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New Portfolio (As on 20th Sep'10)

Initial Investment = Rs 5,00,000 (5 Lakhs)

Stock	Holding Quantity	Average Cost Price	Current Market Price	Value At Cost	Value at Market Price	Unrealized Profit/Loss	Unrealized Profit/Loss %	Brokerage Cost	Dividends
*****	1600	*****	*****	39840	45840	6000	15.06%	119.52	
*****	500	*****	*****	48500	48725	225	0.46%	145.5	
*****	300	*****	*****	25365	25995	630	2.48%	76.09	
*****	750	*****	*****	50437.5	51000	562.5	1.11%	151.31	
*****	2000	*****	*****	49600	57900	8300	16.73%	148.8	
*****	550	*****	*****	50517.5	50050	-467.5	-0.92%	151.55	
*****	4000	*****	*****	45880	58360	12480	27.20%	150.05	
Total				Rs 310140	Rs 337870	Rs 27730	8.94%	Rs 942.82	

Portfolio Cash on

Hand **Rs 188917.18**

Portfolio Summary

No of Stocks in Portfolio	7
Net Cash Holdings	1.88 Lakhs
Portfolio Gain Loss	8.94%
Small Cap Index Return (%)	5.16%

Realized Profit/Loss -
Total Brokerage Costs -
Total Cash on Hand - Rs 188917.18

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Transaction and Notes

Stock	Buy/Sell	Quantity	Buy/Sell Price	BSE/NSE	Total Value	Brokerage Costs
*****	Buy	4000	*****	BSE	45880	150.05

***** _ ***** is our Business Insight Pick for the month of Sep'10. We have made an allocation of roughly 9% to the stock at an average price of Rs **. We understand the fact that your buying price may be higher than Rs ** due to the buying pressure, however over a longer period of investment the effect of the same will be minuscule on your portfolio.

***** is an undiscovered pick from the ***** sector as quite evident from the low valuations and the average volume in the stock in spite of the fact that the company has been doing exceptionally well for the last few years.

The company is although a small player in comparison to its counterparts, it still commands higher margins. It is currently trading at a Price earnings multiple of 8.64 based on the forward annualized earnings estimate while if we consider the general industry standard then it can be noticed that all the other companies command big multiples to the tune of 30-40.

An important point to be considered is that in our assumption of forward annualized earnings, we have not taken into account the fact that company has recently expanded its gross block by more than 100%

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**Basic info on MMP
(Money Multiplier Portfolio)
operation**

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Portfolio objective



- ❑ To create sustainable wealth for the subscribers over a longer period of time (read 2 to 3 years).
- ❑ To maximize the returns from equity investments and to perform better than the broader indices.
- ❑ By leveraging on the HBJ Capital's (MPS Unit) recommendations, which are mostly well researched potential wealth creators from the micro cap segment, the portfolio will target achieving 4 to 5 times returns in 2 to 3 years of time period.

**"We create high net worth individuals.
We do not chase them".**

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Business model and working

- ❑ In MMP service **we don't take your money** as Portfolio Management Service providers do.
- ❑ We start with Rs 5 Lakhs virtual cash portfolio under MMP and then start allocating certain amount to various recommendations (**8-10 best stocks from Penny Stock Package**).
- ❑ Now if you have a portfolio of say Rs 2.5 Lakhs then you can replicate the MMP by allocating money to the same recommendations covered under MMP keeping the percentage allocation **same as MMP**. (Say, if we buy 100 shares of any stock in MMP, then you will have to buy 50 shares in your portfolio)
- ❑ Once you have made the allocations, you can continue holding the same stocks till we suggest you to sell any of the stocks held in MMP.
- ❑ If we decide to sell any stock or buy new stock in the portfolio, you will be intimated through a mail communication on how much to buy/Sell, and we will also specify the reason behind buying or selling.
- ❑ So, once you have made the allocations initially, you will not have to devote more than 30 minutes per month on managing your portfolio.

Our Relationship – Based Approach Drives Our Success

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Portfolio Design Strategy

Financial Analysis

Stock Selection

Portfolio Construction

Monitoring & Reports

Advice

A 5 Pronged Strategy to Portfolio Designing !!!

- ❑ In the first step we carry out a financial analysis of the various listed securities. The analysis helps us understand the business model, the valuations and the prospects of the company.
- ❑ After a thorough analysis of the various companies, we select the best 7-8 stocks from the list.
- ❑ Once the stocks are selected, a Portfolio is designed with different % allocations to the different stocks based on the several parameters like valuations, risk factor etc.
- ❑ A regular monitoring of the Portfolio companies is done and the updates are reported to the clients.
- ❑ Based on the performance of the portfolio companies, the client's are advised to make the requisite changes to their portfolio.

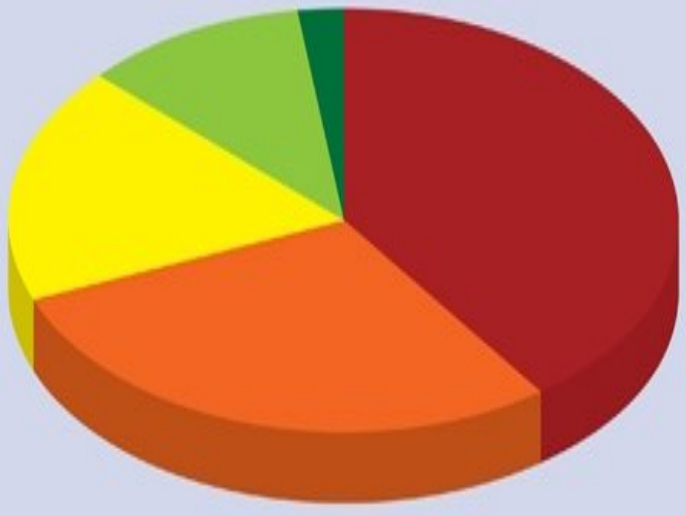
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Portfolio allocation Limitations



Following are the limitations on portfolio allocation....

- ❑ The maximum allocation to “**Non- Penny Stocks Package recommendations**” is at 30% of the portfolio.
- ❑ The “**cash levels**” of the portfolio cannot be more than 80% of the portfolio. In exceptional conditions, the portfolio manager is at liberty to make changes to this clause.
- ❑ The portfolio manager has the liberty to invest in “**Gold ETF**”. He can also prefer to put his idle cash into Gold ETF.
- ❑ **Note:** Based on the market condition & in order to maximize the return, portfolio manager is free to make changes to the above clauses anytime with proper communication to all the members.



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Key people



Following are the key people, who will run the MMP service, along with their respective Junior Analyst teams.

Ekansh Mittal – Lead Associate, MPS Unit

B.Tech degree with 4+ years of experience in discovering multibagger stocks, he is one of the youngest associate with immense energy to work round the clock.

Sandeep Jain – Prime Contact, Business Management

He did his MBA from IIMA. He has 6+ years of total experience & brief stint at Morgan Stanley & Goldman Sachs. He has been associated with HBJ Capital for more than 3 years & currently handles all customer care related issues. He is also the prime contact & deal maker for HBJ Capital.

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Key people (Contd.)



Jitendra Kumar – Lead Associate, SLT Unit

B.Tech degree with 9+ years of experience in technical analysis. He has expertise in predicting the market trend and spotting the right opportunity to enter & exit the market. His trading calls are most popular among HNI & NRI clients.

Arun Gopalan – Lead Associate, TMP

Arun has around 8+ years of experience in equity research & investments. He has been associated with HBJ Capital since 2007 and he has been successfully leading the flagship business vertical of HBJ Capital.

Prior to Joining HBJ Capital, Arun was working as a business consultant with a leading US retailer. Arun has a management degree from Indian Institute of Management – Calcutta and a Bachelors degree in Technology from MIT, Anna Univ. He is a dual degree holder from the Anna University, graduated with a B.Tech in Mechanical Engineering and Information Technology.

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Communication on portfolio updates



- Portfolio change (addition or removal of stocks partly or fully) if any are likely to be done after market hour on any particular day. In such case the changes will be communicated to all the members prior to market opening next day.
- Portfolio will be shared with all the members at least twice a month, tentative dates would be 15th & 30th of every month, but exact dates depends on portfolio reshuffle day.
- All the members are expected to replicate this portfolio as soon as possible with the changes done, either addition of a stock or profit booking etc.

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