India Growth Momentum Portfolio

A 10-year backtest report (April 2016 – April 2026) showcasing a disciplined momentum-based framework across Indian equities. Monthly rebalance | Equal Weight | 15 Stocks.

MOMENTUM STRATEGY | 10-YEAR BACKTEST | MONTHLY REBALANCE

Executive Summary

The India Growth Momentum Portfolio demonstrates strong long-term wealth creation through systematic momentum investing. Over a decade, the strategy significantly outperformed benchmark returns while maintaining exceptionally controlled drawdowns and consistent participation across all market cycles.

+2726%

Total Return

Over 10 years

39.25%

CAGR

vs Nifty 11.90%

7.37%

Max Drawdown

Exceptionally controlled

₹6.8Cr

Final Equity Value

From base capital-25 Lakh

~3.3x outperformance vs benchmark CAGR, highlighting the strength of systematic momentum investing.

Return Metrics at a Glance

The portfolio's return profile is exceptional across all time horizons — monthly, annual, and over the full decade. The gap between CAGR and average annual return reflects the strategy's ability to capture explosive upside phases.

CAGR

39.25% annualized compounded return over 10 years

Avg Annual Return

42.54% average across all calendar years

Median Annual Return

25.31% — robust even at the midpoint

Avg Monthly Return

3.01% consistent monthly compounding

Risk Metrics

Despite generating high returns, the strategy maintains exceptional risk discipline. A max drawdown of just 7.37% for a 39% CAGR strategy is rare, making it suitable for both aggressive investors and disciplined systematic traders.

Max Drawdown: 7.37%

Extremely low relative to return generation — capital is well-protected during corrections.

Sharpe Ratio: 0.73

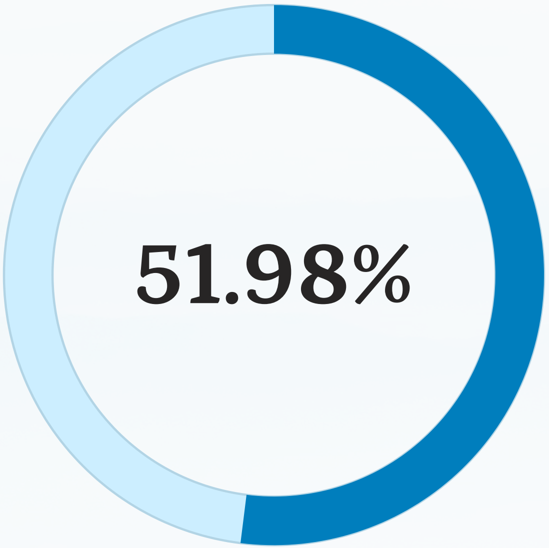
Solid risk-adjusted return profile across the full 10-year period.

Sortino Ratio: 7.00

Outstanding downside risk management — losses are minimal and short-lived.

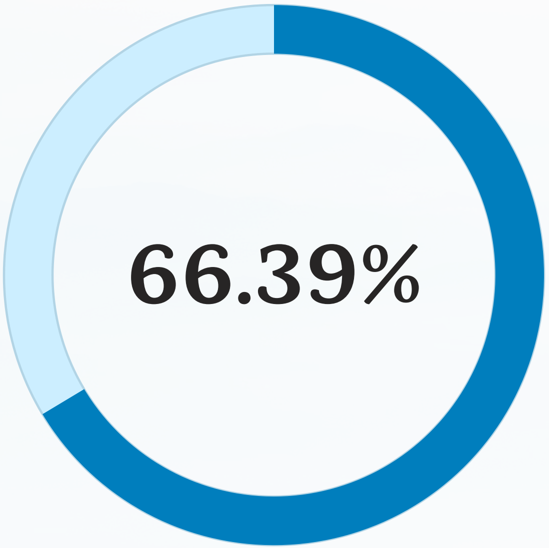
Trade & Consistency Metrics

With 329 total trades over 10 years and an average monthly churn of just 2.70 stocks, the strategy is efficient and low-friction. Even with a ~52% win rate, superior returns emerge from trend-following discipline — letting winners run and cutting underperformers decisively.



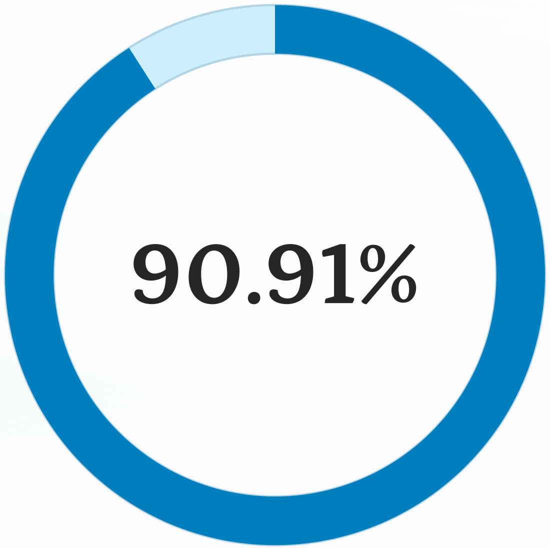
Positive Trades

Win rate across 329 total trades



Positive Months

Majority of months deliver gains

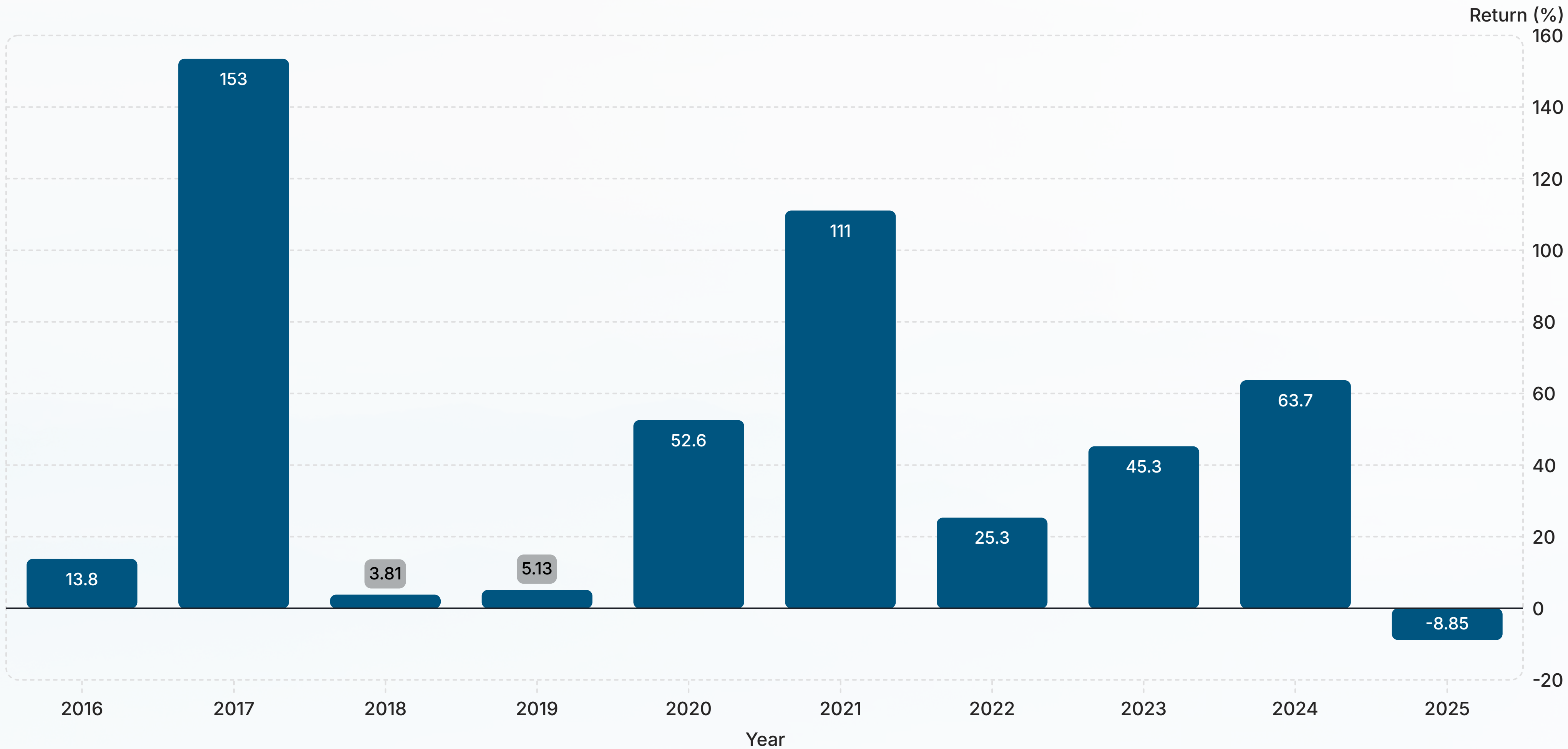


Positive Years

Only one negative year in a decade

Year-wise Performance

The portfolio demonstrates strong participation in bull phases and capital protection during weak cycles. Notably, only one negative year was recorded across the entire 10-year period.



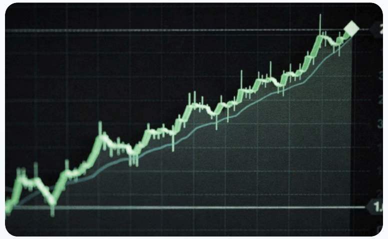
Strong bull-phase participation in 2017 (+153.47%), 2021 (+111.09%), and 2024 (+63.69%). Capital protection during sideways cycles (2018–2019). Only 2025 recorded a negative year at -8.85%.

Bull Phase Highlights

The strategy's momentum engine shines brightest during sustained bull markets. Three standout years demonstrate the portfolio's ability to capture explosive multi-year trends in Indian equities.

2017 — +153.47%

Exceptional bull run capturing broad-based momentum across Indian mid and small caps.



2021 — +111.09%

Post-pandemic recovery rally — momentum strategy captured the full force of the rebound.

2024 — +63.69%

Continued outperformance in a strong market year, validating the strategy's durability.

Monthly Behavior Analysis

Strength Patterns

Strong momentum continuation observed in Jan, Jul, Aug, Sep, and Oct. Notable upside bursts:

- Jul 2023: **+16.35%**
- Feb 2024: **+16.85%**

Weakness Patterns

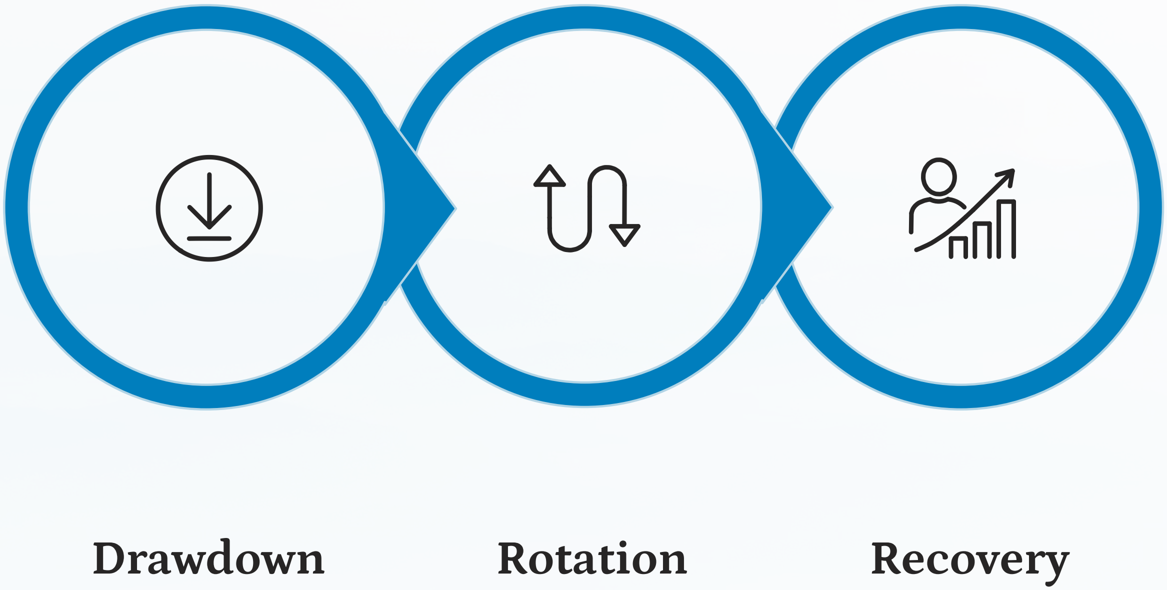
Occasional sharp corrections are accepted as part of trend capture:

- Oct 2018: **-21.11%**
- Feb 2025: **-11.68%**

The strategy captures explosive upside phases while accepting short-term volatility as a natural cost of trend participation.

Drawdown & Risk Behavior

A max drawdown of just 7.37% for a strategy generating 39% CAGR is extraordinary. Drawdowns are short-lived and quickly recovered through the portfolio's rotation mechanism — capital is efficiently reallocated away from laggards into emerging leaders.



The adaptive portfolio structure and efficient capital reallocation mechanism are the core reasons why drawdowns remain minimal even during volatile market phases.

Strategy Mechanics

The portfolio is built on a clean, rules-based framework designed for consistent execution without emotional interference. The universe spans Indian equities filtered by momentum signals.

Universe

Indian equities filtered by relative and price momentum signals each month.

Equal Weight

15 stocks, equally weighted — avoids concentration risk in any single position.

Monthly Rebalance

Portfolio refreshed every month — captures fresh leadership, exits underperformers.

Follow Price

No prediction — buy strength, exit weakness systematically. Let price lead.

Core Philosophy

1 Buy Strength

Select stocks showing superior relative and price momentum — ride the trend, not the story.

2 Exit Weakness Systematically

Monthly rebalance ensures laggards are removed before they erode portfolio returns.

3 Avoid Prediction

The system follows price action — no forecasting, no bias, pure rules-based execution.

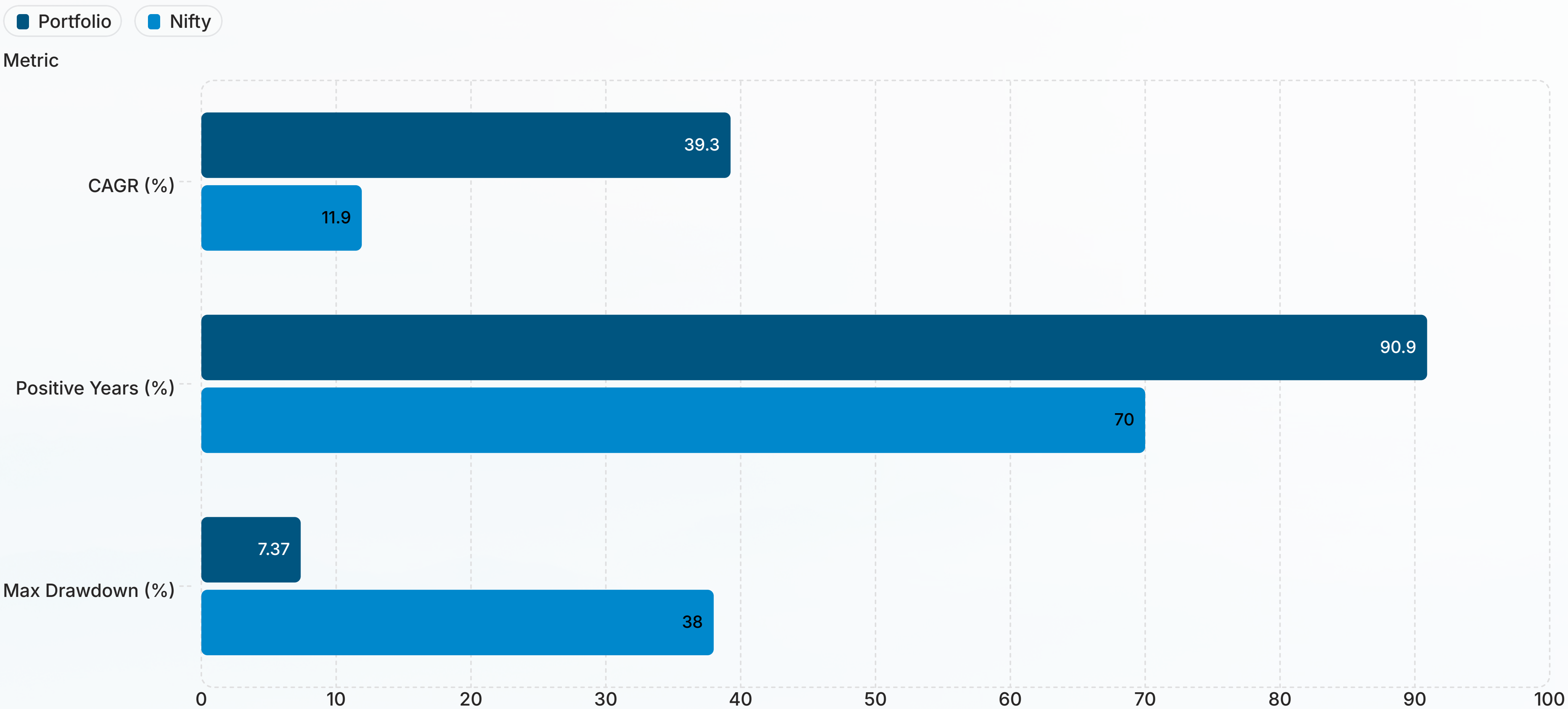
Behavioral Edge

This strategy is engineered to solve the most common investor pitfalls. By replacing emotional decision-making with a structured rules-based system, it eliminates the behavioral errors that destroy long-term returns.

Challenge	Strategy Solution
Emotional bias	Rule-based execution — no discretion
Overtrading	Structured monthly rebalance only
Missing big trends	Momentum participation captures leaders
Capital erosion	Quick exit from laggards via rebalance

Portfolio vs Nifty: Benchmark Comparison

The performance gap between the momentum portfolio and the Nifty benchmark is stark and consistent. The strategy delivers ~3.3x the benchmark CAGR while maintaining lower drawdowns and far superior consistency across years.



Alpha generation is significant and consistent across all market cycles — bull, bear, and sideways.

CAGR Outperformance Visualized

India Growth Momentum Portfolio

39.25%

CAGR over 10 years — compounding ₹25 lakh to ₹6.8 Cr+

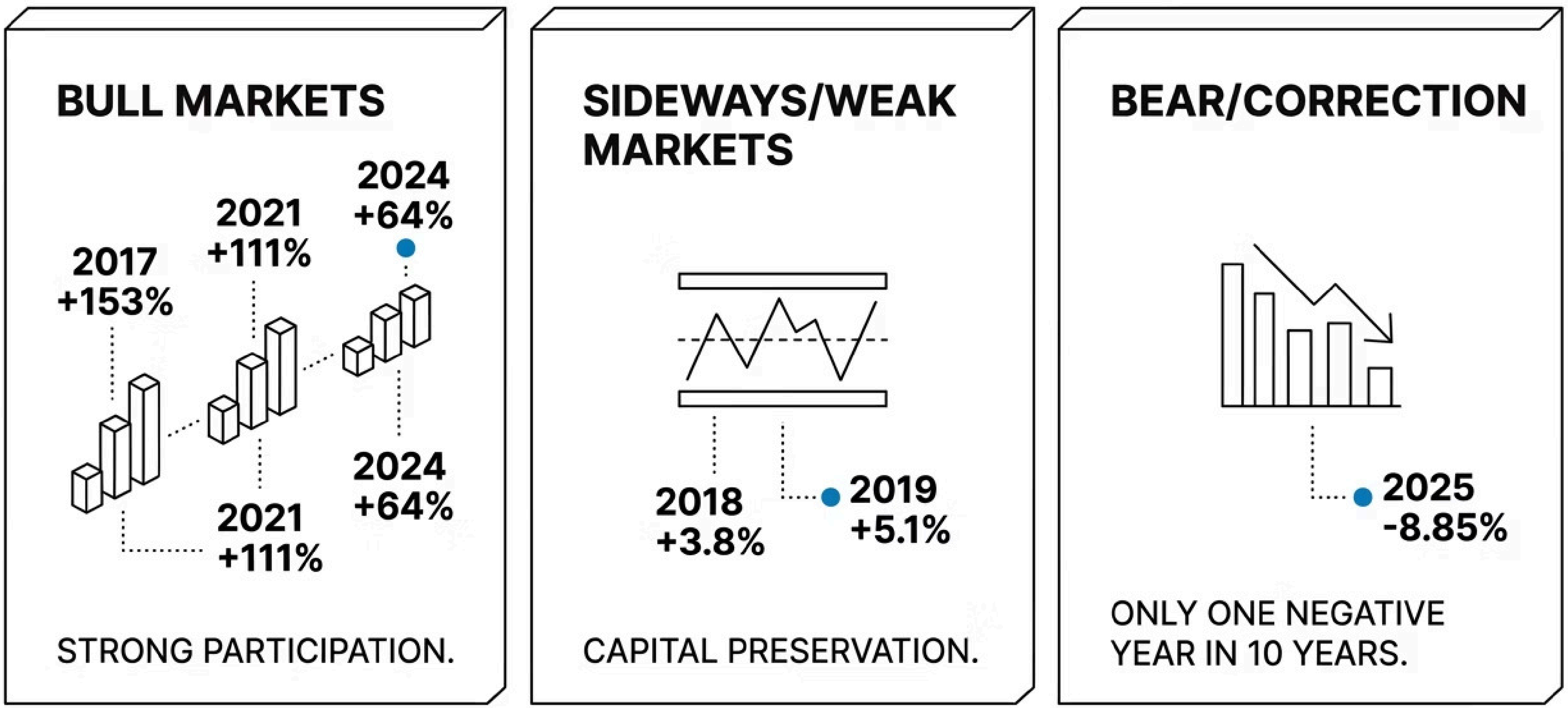
Nifty 50 Benchmark

11.90%

CAGR over the same period — a significant gap that widens dramatically over time due to compounding.

Consistency Across Market Cycles

One of the strategy's most compelling attributes is its ability to perform across varying market environments — not just in bull markets. With 90.91% positive years and only one negative year in a decade, consistency is a defining feature.



Key Takeaways

Momentum Works in India

Indian markets reward systematic momentum investing exceptionally well over long horizons.

Equal Weight Advantage

Avoids concentration risk — no single stock dominates portfolio outcomes.

High Return, Low Drawdown

Rare combination: 39% CAGR with only 7.37% max drawdown over 10 years.

Monthly Rebalance Edge

Captures fresh leadership and eliminates weak stocks — keeps the portfolio dynamic.

How to Use This Strategy

This backtest provides a validated framework that investors and traders can deploy in multiple ways depending on their goals and sophistication level.

1

Core Portfolio

Deploy as a primary long-term wealth creation strategy with full allocation.

2

Universe Generator

Use the momentum filter to generate a stock universe, then apply your own entry/exit systems.

3

Satellite Allocation

Combine with a passive core (Nifty index) for a core-satellite portfolio approach.

Who Is This Suitable For?

Serious Investors

Long-term wealth builders who want systematic, rules-based exposure to Indian equity momentum.

Systematic Traders

Traders who value structured, emotion-free execution over discretionary decision-making.

Portfolio Allocators

Fund managers and advisors seeking a proven alpha-generating strategy for client portfolios.

Important Considerations

Before deploying this strategy in live markets, investors must account for real-world execution factors that can impact net returns. Discipline and awareness are critical to replicating backtest results.

Past Performance Disclaimer

Backtest results do not guarantee future returns. Market conditions evolve and past patterns may not repeat.

Execution Discipline

Strict adherence to monthly rebalance rules is critical — deviating from the system undermines its edge.

Transaction Costs & Slippage

Real-world deployment must factor in brokerage, STT, impact cost, and slippage — especially for larger portfolios.

⚠ Execution discipline is the single most important factor in translating backtest performance to live results.

Closing Note

This 10-year backtest validates that a **structured momentum framework with disciplined rebalancing** can significantly outperform traditional investing approaches while maintaining strong risk control. The India Growth Momentum Portfolio is not a prediction engine — it is a systematic process that follows price, respects trends, and compounds capital efficiently over time.

> A structured momentum framework with disciplined rebalancing can outperform traditional investing while maintaining risk control — validated across 10 years and multiple market cycles.

+2726.40%	**39.25% CAGR**	**90.91%**
Total 10-year return	vs Nifty 11.90%	Positive years