



Electrum Laureate Portfolio - May 2023

Objective

Our strategy is focussed on compounding returns over medium to long term by investing largely in small and midcap companies. Our Strategy is designed to look for value mispricing and growth opportunities in high quality business franchise managed by a strong and agile management team with good corporate governance record.

- Active Management
- Concentrated portfolio
- Bottom-up stock picking
- High equity risk profile
- Mid and Small-Cap Oriented Strategy

Market Summary

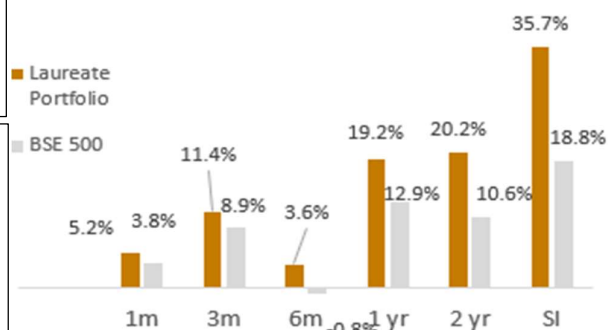
BSE 400 Mid small cap index was up 4.7% in May 2023 while BSE Sensex up nearly 2.1%. Top performing indices included auto, realty, banking, real estate and consumer durable goods continuing last month's uptrend. The month of May witnessed an interesting mix of news for participants at the stock markets across the globe with the U.S. agreeing on an in-principle deal to increase its debt ceiling (later on suspended for 2 years), Germany slipping into recession, high volatility seen in gold and crude oil prices, while positive data emerging at the home turf with unemployment lower in 2023, the IIP higher on a monthly basis.

April 2023 US inflation data slipped below 5% to 4.9%, first time in last 2 years. The Nasdaq 100 Index, which is heavily weighted in the tech space (and thus a potential winner in the AI discussion), gained 7.7% in May, rose over 30% YTD and made a 52 week high this month. India's GDP grew by 7.2% in FY23 against 9.1% expansion in previous fiscal. Data reveals FPIs have invested INR 37,316 cr in Indian equities in May, the highest in last 6 months. Contrary to expectations and macro challenges, inflation has shown notable signs of receding thanks to continued efforts by the RBI. India's retail inflation (CPI), slipped to an 18-month low of 4.70% in April 2023. All this has led to the markets moving up in last 2 months.

Domestically, several high frequency growth indicators such as GST collections, PMI services, credit growth, PV sales, etc. suggest that growth continues to hold up in India. Monthly GST revenues more than Rs 1.4 lakh crore for 14 months in a row, with Rs 1.5 lakh crore crossed for the 5th time since inception of GST. India's factory output expanded at the quickest pace since October 2020. It rose to 58.7 in May 23 from 57.2 in April. Passenger vehicle segment has recorded sales of 3,35,531 units in May 2023, marking the fifth month in succession where sales have crossed the 3 lakh unit mark. We believe the growth momentum has picked up pace and there is a broad-based recovery from manufacturing, mining to construction. U.S. Federal Reserve's meeting on June 13-14 may bring in some volatility. Though May meeting minutes have indicated a pause in any further rate hikes, the Fed's commentaries would provide direction in the near future.

On the portfolio side we are largely invested largely towards niche or market leading companies having some pricing power and are also focussed on domestic growth to a large extent. We believe there is enough evidence towards allocating to equities as seen by a dovish Fed commentary, strong domestic capex triggers (PLI scheme, central and state capex), benign raw material prices and improved supply chain. We are continuously reviewing the portfolio and making changes wherever necessary. Timing the market is a futile exercise. We continue to look at newer ideas with strong growth opportunities, balance sheets and good managements on a continuous basis. We believe India is a growing stock which will give strong returns over medium to long term and thus we remain positive from investment point of view.

Electrum Laureate Performance



Returns	1m	3m	6m	1 Yr.	2 Yr.	SI* Annualised
Laureate Portfolio	5.2%	11.4%	3.6%	19.2%	20.2%	35.7%
BSE 500#	3.8%	8.9%	-0.8%	12.9%	10.6%	18.8%

*Since Inception Date - 23/11/2020

Key terms

Scheme: Electrum Laureate
Benchmark: BSE 500
Min. Investment: Rs 50 lakhs
Strategy type: Open ended

Top Sectors

Sector	(%)
Specialty Chemicals	17.8%
Capital goods	12.9%
Consumer Durables	12.0%
Auto Ancillaries	9.8%
Financials	9.0%

Top 5 Holdings

Company	(%)
Ion Exchange India Ltd	6.4%
Craftsman Automation Ltd	6.4%
La Opala RG Ltd	6.0%
Gravita India Ltd	5.8%
TTK Healthcare Ltd	5.7%

Portfolio attributes	FY 24	FY25
P/E (x)	19	15
D/E (x)**	0.18	0.14
ROE (%)	18.0	18.8

**Excluding financials

*Formerly known as Arihant Asset Management, SEBI reg No. INP000007544

Disclaimer: Returns are calculated based on Time weighted rate of return and are after expenses. Returns more than 1 year are annualized. Individual client performances may differ based on entry and exit in the portfolio. Past performance should not be construed as a guarantee of future performance. Equity investments are subject to market risks. The performance related information is not verified by SEBI.

#The benchmark of the strategy is changed from BSE 400 Midsmallcap to BSE 500 (TRI) index wef 1.4.2023 to comply with SEBI circular SEBI/HO/IMD/IMD-PoD-2/P/CIR/2022/172