



Electrum Laureate Portfolio - October 2022

Objective

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

Investment strategy

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

Market Summary

BSE400 MidSmall index was up 1.9% in October 2022 while BSE Sensex was up 5.8%. There was significant volatility in global markets led by slowdown fears, rising interest rates and inflationary trends globally. Fed increased rates in early November by 75 bps as widely expected. With global inflation proving to be persistent, the Fed and its peers likely have no choice but to stick with its plans for rate increases, at least for now. However, Fed in its recent meeting also gave certain hints relating to slowing down of rate hikes going ahead if inflation eases which may be a slight relief for the markets. Globally commodity prices in certain pockets have also eased and supply chains are now better. China is again grappling with Covid in certain pockets while Russia Ukraine issues continue. We continue to see some volatility in equity markets in coming months as the effects of slowdown are more evident majorly in developed countries. Dow Jones is down 12.1% YTD; Dax is down 17.3% while Nifty 50 is up 2.5%. India is around 2% away from its all-time highs. India's equity market dominance and its relative outperformance has been nothing less than extra ordinary.

Government, under the leadership of PM Narendra Modi has launched further schemes over last few months some of which are National Logistics Policy, various schemes for benefit of MSME, 5G services and many more regional and state levels schemes. We expect Government spending to remain elevated going ahead, however we continue to keep an eye on the widening deficit situation.

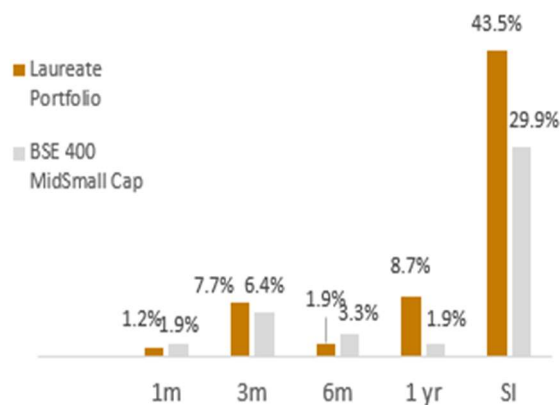
Most of the high frequency indicators are looking up in India. The output of eight core infrastructure sectors grew 7.9% in September 2022, as against 5.4% in the year-ago period. India's factory activity expanded at a stronger pace in October as demand and output remained solid, encouraging firms to hire workers at the fastest pace in nearly three years. The Manufacturing Purchasing Managers' Index (PMI), rose to 55.3 in October 2022 from September's 55.1, better than a Reuters poll median forecast for 54.9 and remaining above the 50-level separating growth from contraction for a sixteenth month. The GST collections for October 2022 rose to Rs. 1.51 lakh crores i.e., the second highest level since the roll-out of the indirect tax regime in July 2017. We saw generation of 8.3 crore e-way bills, which is significantly higher than the 7.7 crore e-way bills generated in August 2022. Passenger vehicle sales saw a robust growth in October, however two-wheelers remained subdued, and we expect them to pick up going ahead.

On the portfolio side we are largely invested towards companies which are niche or market leading, have some pricing power and are also focussed on domestic growth to some extent. We are continuously reviewing the portfolio and booking profits wherever valuations are high. We believed India is well poised in future and we are optimistic over medium to long term on the Indian economy and the significant opportunities going ahead.

*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.

Electrum Laureate Performance



Returns	1m	3m	6m	1 Yr.	SI* Absolute	SI* Annualised
Laureate Portfolio	1.2%	7.7%	1.9%	8.7%	101.3%	43.5%
BSE 400 MidSmall Cap	1.9%	6.4%	3.3%	1.9%	66.0%	29.9%

*Since Inception Date – 23/11/2020

Key terms

Scheme: Electrum Laureate
Benchmark: BSE 400 MidSmall cap Index
Min. Investment: Rs 50 lakhs
Strategy type: Open ended

Top Sectors

Sector	(%)
Specialty Chemicals	23.0%
Capital Goods	17.5%
Consumer Durables	16.3%
Auto Ancillaries	13.5%
Financials	11.0%

Top 5 Holdings

Company	(%)
Craftsman Automation Ltd	6.9%
La Opala	6.7%
Jubilant Ingrevia Ltd	6.4%
Angel One Ltd	5.3%
Ion Exchange India Ltd	5.1%

Portfolio attributes	FY 23	FY24
P/E (x)	24x	19x
D/E (x)**	0.21x	0.16x
ROE (%)	21.0%	19.8%

**Excluding ICICI Bank