



Electrum Laureate Portfolio - September 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

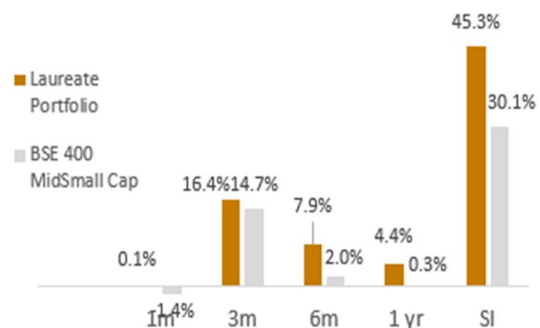
Market Summary

BSE400 Midsmallcap index was down 1.4% in September 2022 while BSE Sensex was down 3.5%. There was significant volatility in markets led by slowdown fears and inflationary trends globally. 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. This may lead to more volatility in equity markets in coming months as the effects of slowdown are seen across the developed countries. On the other hand, we recently also saw UK shifting its stance intermittently from quantitative tightening to easing which relaxed the equity markets to some extent. In the current situation global growth rates have been under pressure and Central Banks are continuously raising interest rates to rein in inflation which is leading to a recessionary scenario. Dow Jones is down 21% YTD, Dax is down 24% while Nifty 50 is down only 3%. India's equity market dominance and its relative outperformance has been nothing less than extra ordinary so far.

In India, widening trade deficit and current account deficit, depleting forex reserves and firm oil prices lead to increased pressure on Rupee. We reached a new lifetime low of Rs. 82.42/\$. This can impact equity markets to some extent in the short term. However, on the positive side, GST collection in September rose 26% to Rs. 1.47 lac cr, consistently above 1.4 lac Cr mark for 7th straight months. Auto sector has bounced back smartly and growing well, various high frequency indicators are still pointing to a decent growth momentum. 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. The national logistics policy aims to reduce the logistics cost in the country while 5G services will give a fillip to the digitisation plans of India. Several schemes announced by Government over last few years have led to renewed optimism in almost all sectors in India and most of the sectors are getting benefitted. India is being looked at differently vs other emerging and global economies. India is also benefitting from trends such as China plus one and more recently Europe plus one too. RBI projects ~7% growth for FY23 which is highest globally leading to strong outperformance in our equity markets relative to global peers.

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 wherever possible making changes to reduce the volatility and provide reasonable risk adjusted returns. We interacted with nearly 50 companies and visited around 5-6 factories in last 2 months to understand the on-ground scenario. We are optimistic over medium to long term on the Indian economy and the opportunities going ahead.

Electrum Laureate Performance



Returns	1m	3m	6m	1 Yr.	SI* Absolute	SI* Annualised
Laureate Portfolio	0.1%	16.4%	7.9%	4.4%	99.8%	45.3%
BSE 400 MidSmall Cap	-1.4%	14.7%	2.0%	0.3%	62.9%	30.1%

*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	24.6%
Capital Goods	18.0%
Auto Ancillaries	15.6%
Consumer durables	13.2%
Financials	9.5%

Top 5 Holdings

Company	(%)
Jubilant Ingrevia Limited	6.5%
Craftsman Automation Ltd	6.2%
La Opala	5.7%
Apcotex Industries	5.7%
Ion Exchange	5.1%

**Excluding ICICI Bank

Portfolio attributes	FY 23	FY24
P/E (x)	23x	18x
D/E (x)**	0.22x	0.19x
ROE (%)	20.6%	20.6%

*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.