



Electrum Laureate Portfolio - April 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

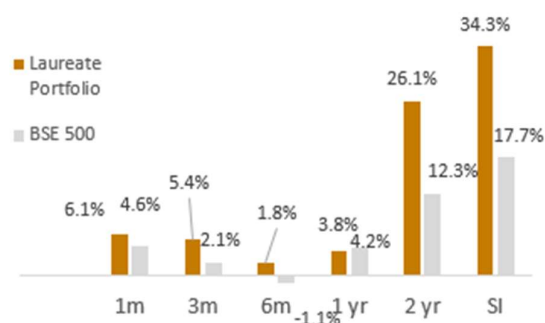
BSE400 MidSmall Cap index was up 5.28% in April 2023 while BSE Sensex up nearly 3.4%. Market participants believe that the recent correction in Nifty from its all-time highs has presented a good opportunity for investors to accumulate stocks for the long-term at reasonable valuations and therefore we saw a very good bounce back in Indian markets last month.

Weak economic prospects in developed markets and relatively higher growth in emerging markets would increase foreign portfolio investments allocation to select emerging markets, like India. Similar crises in the past have shown that foreign portfolio investments may temporarily pause, but reverse back in the medium term which reflects in the FII inflows last month. We are seeing rebound in FII inflows where April 2023 has seen nearly 5,711 cr Inflows by FII (Cash) in Indian equities, vs 1,997 Cr of inflow and 11,000 Cr of outflow in March and Feb 2023 respectively. After raising interest rate by a cumulative 250 basis points in 11 months, the RBI last month unexpectedly kept the benchmark rate unchanged on the back of Improving inflation numbers along with healthy Banks and NBFC sector in India. US Fed increased rates by 25 bps while ECB increased by 25 bps. They have now hinted at lower rates hikes and possible pause going ahead.

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. Gross GST collection in April 2023 is all time high, Rs 1.87 Lakh crore the highest ever compared to Rs. 1.67 lakh Cr, in April 2022. S&P Global Manufacturing PMI improved to 50.4 in April from 49.2 last month and Services PMI edged higher to 53.7. Bank credit rose by 15% YoY in FY23, against 9.6% YoY in FY22. Overall automobile domestic sales grew by 20% in 2022-23, the industry recorded the highest passenger vehicle sales with an annual growth of 27%. 38,90,114 units in FY23, as against 30,69,523 units in the same period last year. In the current scenario considering banking crisis and global slowdown amid sharp fall in stocks, we feel that the downside risk is low and current fall is indicating opportunity to buy more. We believe India will be the fastest growing economy for next few decades, and Indian markets will catch up while attracting strong flows.

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 that recent correction provides a good entry point given benign valuation, dovish Fed, 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 are trying to be more agile and quick as the current scenario is fast evolving. 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	6.1%	5.4%	1.8%	3.8%	26.1%	34.3%
BSE 500#	4.6%	2.1%	-1.1%	4.2%	12.3%	17.7%

*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	19.4%
Capital goods	13.4%
Consumer Durables	12.6%
Financials	8.9%
Auto Ancillaries	8.5%

Top 5 Holdings

Company	(%)
Ion Exchange India Ltd	6.6%
La Opala RG Limited	6.2%
TTK Healthcare	6.0%
Craftsman Automation Ltd	5.6%
PCBL	5.0%

Portfolio attributes	FY 24	FY25
P/E (x)	18	13
D/E (x)**	0.16	0.13
ROE (%)	19.5	20.0

**Excluding financials

*Formerly known as Aриhant 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