



Electrum Laureate Portfolio – August 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

We are on the moon! The entire world witnessed India's historic event of Chandrayan 3 landing on moon. India made history by becoming the first country to touch down on the little-explored south pole region and joins the United States, the Soviet Union and China in achieving a successful moon landing. Further India's first solar mission Aditya L1 has also been launched on Sept 2 to study the Sun.

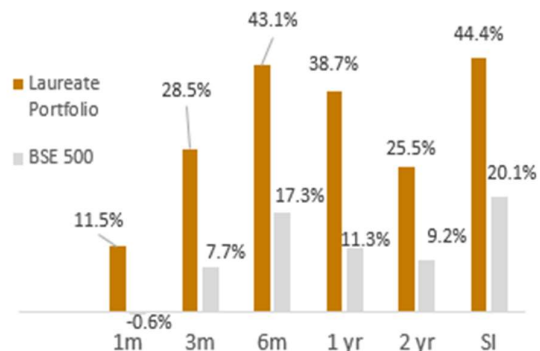
To further add, Indian stock markets have touched new highs in July. Investors are cheering both these historic moments. Today India's image is at the peak. Favorable policies, Government capex in areas like defence, railways, infrastructure has boosted the economic growth. GST collections in August 2023 stood at Rs. 1.6 lac cr an increase of 11% yoy suggesting sustenance of strong economic activity. India's GDP growth came in at 7.8% for Q1FY24. We have seen strong growth led by capex growth domestically. Strong domestic growth and services have led to growth however exports have been weak. FY24 GDP growth expectations are between 6-6.5% and we have started the year on a strong note. FII data (cash) showed a net outflow of Rs. 20,620 cr in August vs inflow of Rs. 13,922 cr in July. Jan – Aug 2023 has seen total FII inflow of Rs 3,563 cr vs an outflow of ~ Rs. 2,67,945 cr same period last year. In the last few months, FII inflow has been strong. Global allocations to China have been reduced while India allocations increased. There is a strong trend of diversification of business from China to many other countries including India. This is led by some sort of geopolitical issues, trust deficit as well as concentration of business in one location. With continued favorable policies we expect India to strongly benefit from this trend.

On the negative side, rainfall has remained weak in August 2023 hit by El Nino conditions. PAN India there is rainfall deficiency. This may have an impact on crops leading to higher intermittent inflation. The general elections are expected to be held around April - May 2024 in India. There may be heightened volatility in the equity markets due to this. However, we believe that over medium to long term equity will continue to do well and give good returns.

We continue to pick structural stories in our portfolio guided by our investment philosophy. These structural stories can deliver higher risk adjusted returns over medium to long term. We continue to closely monitor the portfolio and make changes wherever required. In the current environment we see fund deployment to be slower to accommodate higher valuations in certain pockets. However, we believe there are enough opportunities in the market, and we are able to find those and invest in them. In the event of increased volatility, we would pursue investors to allocate more to equities.

We believe India is a structural growth story to play. We will remain one of the fastest growing countries in the world and our per capita GDP will keep improving giving a strong thrust to the growth. We do not intend to time the market as it's a futile exercise and hence we like to buy on corrections and invest for long term.

Electrum Laureate Performance



Returns	1m	3m	6m	1 Yr	2 Yr	SI* Annualised
Laureate Strategy	11.5%	28.5%	43.1%	38.7%	25.5%	44.4%
BSE 500	-0.6%	7.7%	17.3%	11.3%	9.2%	20.1%

*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	(%)
Auto & Auto Ancillaries	18.9%
Specialty Chemicals	18.6%
Capital Goods	12.3%
Consumer Durables	12.0%
Textile	7.1%

Portfolio attributes	FY 25	FY26
P/E (x)	19.9	15.8
D/E (x)**	0.2	0.1
ROE (%)	21.2%	22.2%

** Excluding financials

*Formerly known as Arihant Asset Management, SEBI reg No. INP00007544

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.