



Electrum Laureate Portfolio - December 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

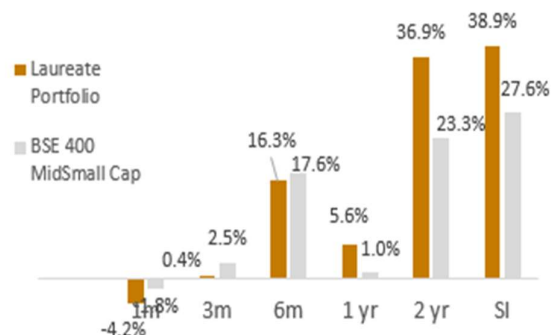
BSE400 MidSmall Cap index was down 1.8% in December 2022 while BSE Sensex was down 3.9%. There was significant volatility in the global as well as Indian markets as China reversed its zero covid policy leading to worsening covid situation in China and sudden spurt of cases in the USA, Korea, Brazil, and Japan. We believe the situation is still evolving with less alarming death rates so far. Going ahead as immunity builds up, the situation should keep getting better. On the other hand, the inflationary trends, slowdown fears and rising interest rates continues to keep the markets volatile. RBI increased the rates in early December by 50 basis points to 6.25 per cent and we can further expect a rate hike by another 25 bps.

Reflecting on the year 2022 gone by, India has had a stupendous outperformance compared to its global peers. Nifty was up 4.8% while the S&P 500 and Dow Jones was down 20% and 9.2% respectively, marking its worst loss since financial crisis 14 years ago. US will see next few quarters of recessionary trends before reviving again and similarly EU is also expected to remain slow for next few quarters. Although, we have seen Indian markets outperforming and being resilient, we expect intermittent corrections and consolidations in the market before the fresh round of uptick. Most of the high frequency indicators are looking up in India. India's manufacturing industry ended 2022 on a solid footing as business conditions improved at the fastest rate in over two years while growth in new orders and output accelerated. The PMI index rose to 57.8 in December from 55.7 in November, remaining above the 50-level mark for 18th consecutive month. The GST collections for December 2022 rose to Rs. 1.49 lakh crores, monthly GST revenues more than Rs. 1.4 lakh crore for 10 straight months. The passenger vehicle (PV) industry witnesses its highest ever domestic volume during 2022 calendar year at 37.93 lakh units driven by strong customer demand, improving semiconductor supply chain and new launches while the Electric vehicle segment also reached new highs. Global crude and food prices are roughly 38% and 15% down respectively from their highs in March, following Russia's invasion of Ukraine.

We have a positive medium to long term outlook on the Indian economy. With good progress of Rabi sowing, sustained urban demand and improving rural demand we see uptick in India's growth. Further India is geared up for immense opportunities in manufacturing be it textiles, chemicals, defence, railways, renewable energy, capital goods etc. India's unique advantage of relatively cheaper manpower costs, access to materials and better balance sheets will lead to strong pick up in activity levels going ahead. Government has hit the right spots with a credible gameplan so far to take India to the next level. All eyes on execution from here!

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 a large extent. We are continuously reviewing the portfolio and booking profits wherever valuations are high. We continue to look at newer ideas with strong growth opportunities, robust balance sheets and good managements and continue to remain optimistic on India.

Electrum Laureate Performance



Returns	1m	3m	6m	1 Yr	2 Yr	SI* Annual ised
Laureate Portfolio	-4.2%	0.4%	16.3%	5.6%	36.9%	38.9%
BSE 400 MidSmall Cap	-1.8%	2.5%	17.6%	1.0%	23.3%	27.6%

*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	20.1%
Capital Goods	15.9%
Consumer Durables	14.1%
Auto Ancillaries	13.1%
Financials	9.4%

Top 5 Holdings

Company	(%)
Ion Exchange India Ltd	7.3%
Craftsman Automation Ltd	6.8%
La Opala RG Ltd	6.4%
Jubilant Ingrevia Ltd	6.3%
TTK Healthcare Ltd	5.2%

Portfolio attributes	FY 23	FY24
P/E (x)	23	17
D/E (x)**	0.26	0.22
ROE (%)	19	20

**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.