



## Electrum Laureate Portfolio - January 2023

### 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.

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

### Market Summary

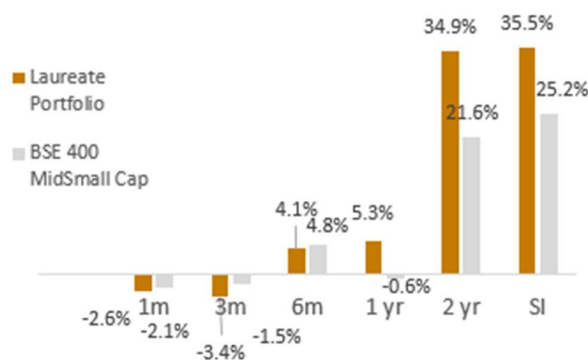
BSE400 MidSmall Cap index was down 2.1% in January 2023 while BSE Sensex was down 2.7%. The global market was quite volatile at the beginning of 2023. Global economy is poised to slow this year, before rebounding next year due to US and Europe slow down but China re-opening has created a positive environment. IMF is expecting China and India to account for 50% of global growth. US-FED is expected to take a pause after few more rate hikes, as US CPI inflation is showing signs of slowdown. In India, RBI is also expected to maintain a broadly hawkish policy stance going into the February monetary policy meeting with a 25 bps rate hike. In the UK and Eurozone, PMI also edged higher, as a sharp decline in natural gas prices raised hopes that Europe will avoid a deep recession. Existing home-sales, car sales and retail sales on the other hand hinted at an ongoing economic slowdown. Additionally, a number of high profile lay-offs were announced by large US companies.

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. January 2023 has seen nearly 29,000 cr outflows by FII, one of the steepest in last few months. Weak global sentiments and Adani saga in India impacted the Indian equity markets and investors sentiments. Release of Hindenburg report on alleged wrong doings by Adani group led to a steep fall in Adani group shares which are down by 40-60%. This also led to some panic in the equity markets leading to fall in the stock prices of other companies.

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 like petrol/diesel consumption, power demand, GST collection, E toll collections etc. 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. Though PMI index saw a slight decline to 55.4 in January from 57.8 in November, but remain above the 50-level mark for 19th consecutive month. The GST collections for January 2023 rose to Rs. 1.55 lakh crores. We are seeing strong uptick in Auto sector, railways, defence, renewables etc.

Commodities prices were mixed over the month but were lower than the peak rates we saw last year. We maintain positive medium to long term outlook on the Indian economy. 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* Annualised
Laureate Portfolio	-2.6%	-3.4%	4.1%	5.3%	34.9%	35.5%
BSE 400 MidSmall Cap	-2.1%	-1.5%	4.8%	-0.6%	21.6%	25.2%

\*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	18.9%
Capital Goods	16.2%
Consumer Durables	14.0%
Auto Ancillaries	12.6%
Financials	9.0%

### Top 5 Holdings

Company	(%)
Ion Exchange India Ltd	7.0%
La Opala RG Limited	6.4%
Craftsman Automation Ltd	6.3%
Jubilant Ingrevia Ltd	5.7%
TTK Healthcare Ltd	5.1%

Portfolio attributes	FY 23	FY24
P/E (x)	22	17
D/E (x)**	0.3	0.26
ROE (%)	19.2	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.