



Electrum Laureate Portfolio – July 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

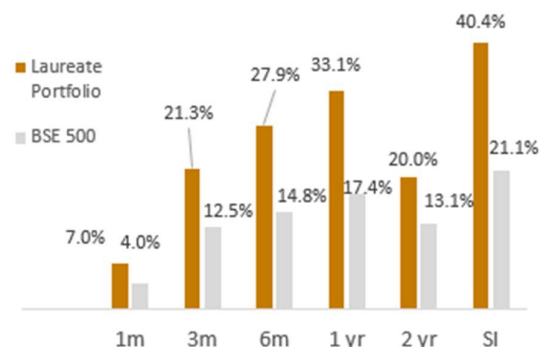
The global equity markets have continued strengthening in July riding on improved macroeconomic stability and positive investor sentiments. Many global indices like the S&P 500 and Japan's Nikkei 225 have touched its 52-week high. Japan touched new high after 33 years. Indian equity markets too have fared well with Nifty50 also touching all-time high in July 2023 on the back of strong inflows from FIIs, robust corporate balance sheets, moderating inflation and growth picking up coupled with expectations of a normal monsoon season, all of which bolstered the sentiment of market participants.

Q1FY24 earnings so far have also been encouraging indicating continued demand traction in domestic side. Though CPI in India jumped to 4.81% in July, mainly led by food inflation, it was still within RBI's tolerance limit while Inflation in the UK came down to a 15-month low of 7.9%. US inflation moderated to 3% in Jun-23 vs record high of ~9% YoY in Jun-22 But FED has increased its lending rate by a quarter point to 5.5% (22 year high). China's manufacturing PMI (49.3 in July) saw slight jump by 30 bps in July after 3 months of consecutive contraction. Easing inflation data and consistent inflow from FIIs will keep on boosting the market sentiment, earnings outcome will keep stock-specific volatility high and concerns with regards to global growth may impact investors' sentiments.

While market continues to witness new high's, we may see some profit booking in the near term. However, high frequency growth indicators such as GST collections, PMI services, credit growth, PV sales, etc. suggest that growth continues to hold up in India. Monthly GST revenues in July, crosses Rs 1.6 lakh crore mark for the 5th time since inception. The manufacturing PMI has now spent 25 consecutive months above 50. Total PV sales in the domestic market during July increased 6% (YoY) to 352,492 units from 3,27,487 units, YoY. For the month of July, the PMI saw a healthy expansion and saw consecutively 25th months of above 50, on account of sustainability in factory production as the companies scaled up production and sales in response to a stronger increase in India factory orders. FASTAG toll collection volume growth moderated to 11% yoy in July. The Government's effort to make India a manufacturing hub continues. This has led to beginning of capex cycle after many years in India. Government capex has picked up and we believe private capex will also increase meaningfully going ahead. We are seeing order books on manufacturing side increasing. We believe China+1 sentiment should aid India's manufacturing growth trajectory. As many companies look to reduce their dependency on one nation for their operation, India stands a chance to cash in on this opportunity as well.

On the portfolio side we are invested largely towards niche or market leading companies. We are continuously reviewing the portfolio and making changes wherever necessary. We continue to look at newer ideas with strong growth opportunities, balance sheets and good managements. Timing the markets is a futile exercise and hence one should never try to time the market. Staggered buying on well-researched ideas and using intermittent correction to buy good quality companies always pays off in the long run.

Electrum Laureate Performance



Returns	1m	3m	6m	1 Yr.	2 Yr.	SI* Annualised
Laureate Portfolio	7.0%	21.3%	27.9%	33.1%	20.0%	40.4%
BSE 500#	4.0%	12.5%	14.8%	17.4%	13.1%	21.1%

*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

	(%)
Auto Ancillaries	18.2%
Specialty Chemicals	17.4%
Capital Goods	12.5%
Consumer Durables	9.8%
Recycling	5.9%

Portfolio attributes	FY 24	FY25
P/E (x)	24.61	17.79
D/E (x)**	0.18	0.16
ROE (%)	19.55	20.70

** 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.