



## Electrum Laureate Portfolio - November 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

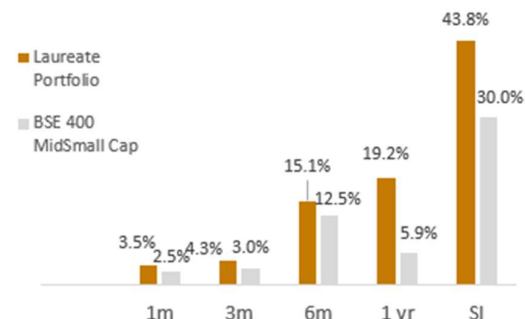
### Market Summary

BSE400 midsmallcap index was up 2.5% in November 2022 while BSE sensx was up 3.2%. There was significant volatility in global markets led by slowdown fears, rising interest rates and inflationary trends globally. Fed increased rates in early November by 75 bps as widely expected and is further expected to increase by another 50 bps going ahead. Since inflation is still not within the comfort range, Fed has no choice but to stick with its plans for rate increases, at least for now. However, Fed in its recent meeting also gave certain hints relating to slowing down of rate hikes going ahead. Globally commodity prices in certain pockets have also eased and supply chains are now better. China is again grappling with Covid in certain pockets while Russia Ukraine issues continue. This will ensure some volatility in equity markets going ahead. Dow Jones is down 5.89% YTD, Dax is down 9.31% while Nifty 50 is up 5.67%. India is at its all-time highs. India's equity market dominance and its relative outperformance has been nothing less than extra ordinary. Although we have seen fresh highs at index level it still needs to percolate down to the broader markets. We expect once we see inflation in control and growth coming back the broader markets will start their up move. With global outperformance by Indian indices, we believe there may be some pause before fresh round of uptick.

Most of the high frequency indicators are looking up in India. The core sector industries growth slowed down to 0.1 per cent in October 2022 as against 8.7 per cent same month last year. The Manufacturing Purchasing Managers' Index (PMI), rose to 55.7 in November 2022 from October's 55.3, remaining above the 50-level separating growth from contraction for a seventeenth month. The GST collections for November 2022 rose to Rs. 1.46 lakh crores, it is the ninth straight month that GST revenues have been more than Rs 1.4 lakh crore. The passenger vehicle (PV) market is set to touch an all-time high of 3.7-3.8 million units in FY2023, a growth of 21-24% over the previous fiscal, driven by robust demand, according to a report by ratings firm ICRA.

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. Overall weighted average portfolio exports are just 16-17% which is helping us from impact due to global slowdown. We are continuously reviewing the portfolio and booking profits wherever valuations are high. With many of the commodities near pre covid levels we expect margins to inch up going ahead. At the same time, we continue to look at newer ideas with strong growth opportunities, robust balance sheets and good managements. We believe India is well poised in future and we are optimistic over medium to long term on the Indian economy and the significant opportunities going ahead.

### Electrum Laureate Performance



Returns	1m	3m	6m	1 Yr	2 Yr	SI* Annualised
Laureate Portfolio	3.5%	4.3%	15.1%	19.2%	43.7%	43.8%
BSE 400 MidSmall Cap	2.5%	3.0%	12.5%	5.9%	28.1%	30.1%

\*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	22.8%
Capital Goods	15.9%
Consumer Durables	13.7%
Auto Ancillaries	11.3%
Financials	10.3%

### Top 5 Holdings

Company	(%)
Ion Exchange India Ltd	6.9%
La Opala RG Ltd	6.4%
Jubilant Ingrevia Ltd	6.3%
Craftsman Automation Ltd	6.3%
PCBL Ltd	5.4%

Portfolio attributes	FY 23	FY24
P/E (x)	21	16
D/E (x)**	0.19	0.15
ROE (%)	17.8	18.3

\*\*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.