



Buoyant Capital

Buoyant Opportunities Portfolio

Factsheet for the month of April 2021

Overall performance commentary

For April 2021, Buoyant Opportunities Fund returned 3.8% net of fees and expenses (versus -0.2% for BSE-100).

What to look forward to from the markets?

The start of the results season has been mixed with financials and building material companies beating the estimates, large cap IT services in-line and some FMCG companies facing margin pressures. Markets have been resilient to the worsening news on the health front. Likely reasons being balanced Management commentary, benign liquidity, FII out-flows off-set with domestic buying. Like the last 2 months in the near term we expect markets to remain volatile and our endeavour will be to remain nimble.

Allocation decision

For most of the month we were fully invested. We increased the weight to companies levered to re-opening, and these companies have a higher statistical volatility which has resulted in the portfolio beta increasing to 1. However, after a 10% to 15% pull back in some banking stocks we again added weight to Banking sector. Large Caps are now 33% of the portfolio. Small caps were trading at a considerable discount to large caps even before Covid and 54% of the portfolio was invested in small caps in Feb 2020. Over last 15 months as small cap valuations have moved up we have gradually reduced weight to small caps, which are now 39% of the portfolio. During the same period weights in mid-caps and large caps have gone up by 9% and 6% respectively.

Sectoral decision

During April we added to our existing investments - in financials and re-opening trades. We are under-weight lending financials, however our investments are in higher beta financials, so expect the portfolio to perform inline with in financials sector. In terms of portfolio characteristics – the forward PE of the portfolio for FY22 is 14.6 (We continue to exclude telecom stocks due to historic losses). The Bloomberg estimated 1 year forward Nifty positive PE (Mar 2022) is at 20.5.

Investment returns

Total returns (%)	Buoyant Portfolio*	BSE 100 Index	Nifty 50 Index	BSE 500 Index
Inception (Jun-16 to date)	18.5%	12.6%	12.6%	13.1%
Two years	16.3%	11.8%	11.6%	13.5%
One year	92.4%	49.1%	48.4%	54.8%
Six months	46.2%	26.6%	25.7%	29.4%
Three months	13.5%	7.5%	7.3%	9.5%
One month	3.8%	-0.2%	-0.4%	0.4%

Source: Bloomberg for Indices. Kotak Bank for Buoyant Portfolio. Buoyant portfolio returns are POST-fees and expenses. **More than one year returns are annualized.**

Classification

Sectoral classification

Banking	24%
Info Tech	14%
Chemicals	10%
Automobile	7%
Insurance	6%
Industrials	6%
Oil & Gas	5%
Building Mat	5%
Telecom	4%
Retail	4%
Staffing	3%
HealthCare	3%
Media	3%
Cash	3%
Materials	2%
Misc	1%
Total	100%

Investment returns

Sectoral, Market-cap and Internal

Sectoral: Banking and IT continue to remain our top focus sectors

Internal: We are increasing exposure to Core vertical, and reducing exposure to cyclicals in the run up

Market-cap: Market-cap classification broadly remains unchanged for the past few months. We are increasingly reducing exposure to small and mid-caps and increasing exposure to large caps

Internal classification

Core	53%
Cyclical	18%
Turnaround	21%
Value	5%
Cash	3%
Total	100%

Market-cap classification

Large Caps	34%
Mid Caps	25%
Small Caps	39%
Cash	3%
Total	100%

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