



Buoyant Capital

Buoyant Opportunities Portfolio

Factsheet for the month of **December 2020**

Overall performance commentary

What to look forward to from the markets?

2020 was like the Charles Dickens novel, A Tale of Two Cities, It was the best of times, it was the worst of times India ended 2020 as one of the better performing markets for 2020 despite one of the lowest cash stimulus packages and one of the highest P declines in the quarter FII's continue to buy into Indian markets and the large cap companies despite the valuations being at highest ever contrary to perception, small cap India has under-performed over the last months by 2 domestic institutions were large sellers due to continued very high MF redemptions for Dec At the same time demat account openings continue to be robust Our hypothesis is that there is a reversal i.e. money moving out of institutional investing back to retail investing

Allocation decision

We continue to look for value in a market that is trading at 100 percentile 20 years in terms of both historic and forward multiples i.e. markets have not traded at these multiples since the last 20 years We don't believe that growth at any price and quality at Any price will deliver superior returns over the long term A great company is not necessarily a good investment

For most of December we were close to fully invested, towards end of the month we increased the cash levels and we are now at over 50% cash Small and mid caps are now at 10% of the portfolio as there are still pockets of value in this space Over 70% of FII investments are in top 100 stocks and the large FII buying over the last quarter of 2020 has resulted in large caps becoming more expensive If we get into a risk-off mode, increasing the cash levels is likely to be the preferred mode

Sectoral decision

Investment returns

Classification

Sectoral classification

Banking	25%
Industrials	6%
Insurance	6%
Chemicals	8%
Automobile	8%
Telecom	7%
Oil & Gas	3%
HealthCare	5%
Info Tech	8%
Staffing	5%
Media	6%
Materials	5%
Cash	5%
Building Mat	0%
Misc	1%
Retail	3%
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

BMV	49%
Cyclical	15%
Turnaround	20%
Value	11%
Cash	5%
Total	100%

Market-cap classification

Large Caps	30%
Mid Caps	23%
Small Caps	42%
Cash	5%
Total	100%

Buoyant Capital 1605,
Lodha Supremus
Senapati Bapat Marg,
Lower Parel West,
Mumbai
info@buoyantcap.com

