

PERFORMANCE

For Oct-22, the Buoyant Opportunities Strategy returned 3.8% (vs 4.7% for the BSE-100, our benchmark). Returns are reported after charging fees and expenses and are computed by HDFC Bank and Kotak Mahindra Bank, our custodians and fund accounting partners.

MARKET VIEW – upmove now faces challenges

The Dow Jones index rose ~14% over October, its best month in a long time! Contrast this with the YoY dip in reported earnings so far... Tech, the largest component of US markets, reported poor earnings. Tech stocks continue to sag. Core inflation (ex food and fuel) is highest since Aug-82. Employment is persistently strong, so rate hikes will likely continue, beyond the recent 75bps hike. ***Our macro view is cautious, given that India has been resilient so far to global sluggishness, but is more integrated than ever with global macros.***

In India, the NIFTY-50 was up ~5.4% for the month. The Q2 results season has been in-line with most Financials outperforming and other large sectors like IT, Energy and Consumer posting in-line results.

SECTOR	Weights (%)
Banking	30.1%
Info Tech	10.0%
Industrials	6.8%
HealthCare	6.1%
Chemicals	5.6%
Automobile	5.0%
Misc	4.2%
Insurance	3.5%
Building Materials	2.1%
Materials	2.2%
Media	2.5%
Staffing	2.1%
Textiles	2.1%
NBFC	1.8%
FMCG	1.9%
Oil & Gas	0.1%
Retail	0.6%
Cash	13.4%
Total	100.0%

MARKET CAP CATEGORY	Weights (%)
Large Cap	36.4%
Mid Cap	10.0%
Small Cap	40.3%
Cash	13.4%
Total	100.0%

INTERNAL CONSTRUCT	Weights (%)
Core	48.2%
Cyclical	13.0%
Turn around	13.0%
Value	12.5%
Cash	13.4%
Total	100.0%

We believe the market is gyrating like it has in previous phases where it remained range-bound for an extended period. ***Delivering alpha during such times calls for superior sector positioning, good stock selection and willingness to take cash calls within the mini-cycle.***

Flows are expected to be negative in the near term, as several stocks that listed last year are poised to complete the mandatory one year lock-in for key shareholders. Most of these listings are new-age companies where the promoter holding is small. The estimated market value of shares being unlocked for sale is as high as Rs 1 lac cr (~\$12bn), ***even a small fraction of which can exert downward pressure.***

SECTORAL DECISIONS

Most of our sector allocations are unchanged, barring the impact of market movements. We reduced weights to Building Materials as the competitive intensity is increasing. Also, Q2 numbers were poor. We also exited a large cap Materials stock, as the steel cycle continues to be under pressure.

PORTFOLIO CONSTRUCTION

We remain steadfast in our DEFENSIVE stance, with the (CORE + Cash) component now at almost 62%, highest ever in this cycle, with cash at 13%+. Each of the three SATELLITE slices (Cyclicals, Turnaround and Value) is in the low teens, adding up to a bit over 38%.

That said, we are opportunistically increasing positions in certain stocks, which will lead to a calibrated increase in SATELLITE weight hereon.

Clients may expect slightly higher concentration and a lower number of stocks in individual client portfolios in future. The average number of stocks per portfolio has already come down from 27 to 25.

VALUATION

The Buoyant Opportunities portfolio was valued at 25x FY23E (positive) earnings as at end-October, higher than 22x for the Nifty-50. This reflects our unchanged preference for hiding (defensive) places at a time when markets look vulnerable to upcoming events. ***We will switch to AGGRESSIVE mode when we believe the risk is reasonably 'in the price'.***

INVESTMENT RETURNS

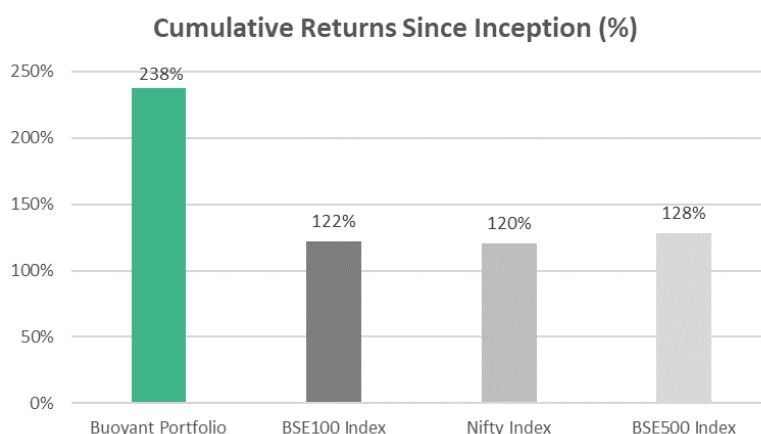
We have outperformed our benchmark (BSE-100) over the last one, two and five years as also since inception in June-2016. We prefer not to get distracted by our short-term performance metrics and **continue to sharpen what we believe is a durable cross-cycle framework and investment strategy.**

TOTAL RETURNS (%)	Buoyant Portfolio*	BSE 100 Index	Nifty 50 Index	BSE 500 Index
Since inception (1 June 2016 to 31 Oct 2022)	20.9%	13.3%	13.1%	13.7%
Last five years	12.9%	11.3%	11.8%	11.2%
Last two years	46.5%	25.3%	24.4%	27.1%
Last one year	3.8%	2.7%	1.9%	2.5%
Last month	3.8%	4.7%	5.4%	4.0%

RISK METRICS	
Sharpe Ratio	0.25
Jensen Alpha	6.83
Information Ratio	0.63
Standard Deviation	19.11
R-Squared	0.68
Beta	1.01
Sortino	0.33

Source: Bloomberg for BSE 100 Index, Nifty Index and BSE 500 Index. Buoyant Portfolio is post-fees and expenses.

More than one year returns are annualised.



BLOGS & MEDIA APPEARANCES

Blogs

- [Once a disruptor – The Economic Times](#) on 1 Nov 2022
- [Predatory pricing – The Economic Times](#) on 18 Oct 2022
- [UK pensions and path dependence – The Economic Times](#) on 4 Oct 2022

Media Appearances

- [Viral Berawala \(CNBC Bajar\)](#) on 21 Oct 2022
- [Jigar Mistry \(CNBC TV18\)](#) on 18 Oct 2022
- [Jigar Mistry \(ET Now\)](#) on 18 Oct 2022
- [Viral Berawala \(CNBC Bajar\)](#) on 13 Oct 2022
- [Jigar Mistry \(CNBC TV18\)](#) on 13 Oct 2022
- [Viral Berawala \(CNBC Bajar\)](#) on 7 Oct 2022
- [Viral Berawala \(CNBC Bajar\)](#) on 6 Oct 2022
- [Viral Berawala \(ET Now\)](#) on 3 Oct 2022

Buoyant Capital Pvt Ltd

1605 Lodha Supremus, Senapati Bapat Marg,
Lower Parel, Mumbai 400013. INDIA
buoyantcap.com

Compliance Officer:

Sunita Mantri
Email: compliance@buoyantcap.com
Call: +91 22 6667-0655/56/57

Queries/Grievances:

Email: care@buoyantcap.com
Call: +91 22 6667-0655/56/57

ABOUT US

Buoyant Capital Pvt Ltd ("the PM") is registered as a Portfolio Manager with SEBI under SEBI (Portfolio Managers) Regulations, 2020 as amended from time to time and the Circulars and Guidelines issued there under from time to time, vide SEBI Reg. No.: INP000005000 and as an Investment Advisor under SEBI (Investment Advisors) Regulations, 2013 as amended from time to time and the Circulars and Guidelines issued there under from time to time vide SEBI Reg. No.: INA000016995 and as the Sponsor and Manager of the Buoyant Capital AIF (a Category III AIF) under SEBI (Alternative Investment Funds) Regulations, 2012 as amended from time to time and the Circulars and Guidelines issued there under from time to time vide SEBI Reg. No.: INAIF322231125.

DISCLAIMER & DISCLOSURES

This document confidential and is intended only for the personal use of the prospective investors/contributors (herein after referred as the Clients) to whom it is addressed or delivered and must not be reproduced or redistributed in any form to any other person without prior written consent of the PM. This document does not purport to be all-inclusive, nor does it contain all of the information which a prospective investor may desire. This document is neither approved, certified nor its contents is verified by SEBI.

The PM retains all the rights in relation to all information contained in the document(s) and to update the same periodically or otherwise from time to time. The document is provided on personal/confidential/issued on a Private Placement basis and the document is neither a general offer nor solicitation to avail the service of investment from the SEBI Registered Intermediary under the services offered by the PM nor is it an offer to sell or a generally solicit an offer to become an investor in the services offered by the PM. The delivery of this document at any time does not imply that information herein is correct as of any time subsequent to its date.

The contents of this document are provisional and may be subject to change. In the preparation of the material contained in this document, the PM has used information that is publicly available, certain research reports including information developed in-house. The PM warrants that the contents of this document are true to the best of its knowledge, however, assume no liability for the relevance, accuracy or completeness of the contents herein.

The PM declares that the data and analysis provided shall be for informational purposes. The information contained in the analysis shall be obtained from various sources and reasonable care would be taken to ensure sources of data to be accurate and reliable. The PM will not be responsible for any error or omission in the data or for any losses suffered on account of information contained in the analysis. While the PM will take due care to ensure that all information provided is accurate however the PM neither guarantees/warrants the sequence, accuracy, completeness, or timeliness of the report. Neither the PM

nor its affiliates or their partners, directors, employees, agents, or representatives, shall be responsible or liable in any manner, directly or indirectly, for views or opinions expressed in this analysis or the contents or any systemic errors or discrepancies or for any decisions or actions taken in reliance on the analysis.

The PM does not take any responsibility for any clerical, computational, systemic, or other errors in comparison analysis. There can be no assurance that future results, performance, or events will be consistent with the information provided in this document and the past performance, if any is not the guarantee of the future/assured performance. Any decision or action taken by the recipient of the document based on this information shall be solely and entirely at the risk of the recipient of the document.

The distribution of this information in some jurisdictions may be restricted and/or prohibited by law, and persons into whose possession this information comes should inform themselves about such restriction and/or prohibition and observe any such restrictions and/or prohibition. Unauthorized disclosure, use, publication, dissemination or copying (either whole or partial) of this information, is prohibited.

The PM shall not treat recipient/user as a client by virtue of his receiving/using the contents of the document in full or part. Neither the PM nor its affiliates, directors, partners, employees, agents, or representatives, shall be responsible or liable in any manner, directly or indirectly, for the contents or any errors or discrepancies herein or for any decisions or actions taken in reliance on the information.

The person accessing this information specifically agrees to exempt/absolve the PM or any of its affiliates or employees from, any and all responsibility/ liability arising from such misuse/improper/ illegal use and agrees not to hold the PM or any of its affiliates or employees responsible for any such misuse/improper/illegal use and further agrees to hold the PM or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The PM (including its affiliates) and any of its Partners, officers, employees, and other personnel will not accept any liability, loss, damage of any nature, including but not limited to direct, indirect, punitive, special, exemplary, consequential, as also any loss of profit in any way arising from the use of this document or any information in any manner whatsoever.

This document may include certain forward-looking words, statements and scenario which contain words or phrases such as "believe", "expect", "anticipate", "estimate", "intend", "plan", "objective", "goal", "project", "endeavor" and similar expressions or variations of such expressions that are forward-looking statements, words, and scenario. Actual results may differ materially from those suggested by the forward-looking statements due to risks, uncertainties, or assumptions. The PM takes no responsibility of updating any data/information.

This document cannot be copied, reproduced, in whole or in part or otherwise distributed without prior written approval of the PM. Prospective investors/clients are advised to review this Document, the Private Placement Memorandum / Disclosure Document, the Contribution Agreement / Client Agreement, representations and presentation(s) and other related documents carefully and in its entirety and seek clarification wherever required from the SEBI Registered Intermediary/PM. Prospective investors should make an independent assessment, consult their own counsel, business advisor and tax advisor as to legal, business and tax related matters concerning this document and other related documents before investing with/through the PM.

The information contained in this document has been prepared for general guidance and does not constitute a professional advice/assurance and no person should act upon any information contained herein without obtaining specific professional advice/Assurance. Neither the PM nor its Affiliates or advisors would be held responsible for any reliance placed on the content of this document or for any decision based on it.

Each existing/prospective client, by accepting delivery of this document agrees to the foregoing. The Investment portfolio are subject to several risk factors including but not

limited to political, legal, social, economic, and overall market risks. The recipient alone shall be fully responsible/ are liable for any decision taken on the basis of this document. The PM, its partners, employees, PMS clients, Advisory clients may have existing exposure to the stocks that form part of the PMS portfolio/Advisory portfolio.

Further, in view of the investment objective/strategy of the PMS/Advisory there may be situations where the PM may be selling a stock which is part of the PMS portfolio/Advisory portfolio scheme as the case may be. The PM (including its affiliates) may offer services in nature of advisory, consultancy, portfolio management, sponsorship of funds, investment management of funds which may conflict with each other.

The PM operates from within India and is subject to Indian laws and any dispute shall be resolved in the courts of Mumbai, Maharashtra only.

Regulatory disclosures & disclaimers are available at <https://www.buoyantcap.com/disclosures/>