

PERFORMANCE

For Jan-23, the Buoyant Opportunities Strategy delivered **+1.1%** (vs -2.7% for the BSE-100, our benchmark). These returns are post fees and expenses. HDFC Bank and Kotak Mahindra Bank are our custodians. We are delighted to share Buoyant Capital has launched a **zero-fee Liquid Strategy, enabling PMS clients to stagger their investments (at their discretion)** into our equity-based Opportunities Strategy. Our latest [Disclosure Document](#) contains statutory details of the Liquid Strategy. [Contact Sakshi](#), our chatbot, to learn more about and to sign up for the Buoyant Liquid Strategy.

MARKET VIEW – still cautious

January was beguilingly steady for three whole weeks, but the last week saw a volatile fall led by a crack in the stocks of a leading business group. Globally, the Dow Jones Industrial (a broader Index of the US stock market than the NASDAQ) has seen a steady pullback of ~17% since Sep-22. Even after a 14% OPF over the NIFTY in the last four months, the Dow Jones still lags the NIFTY by ~7% over the trailing year.

Sector classification	Weight (%)
Banking	29.3%
Info Tech	13.8%
Cash	11.9%
Industrials	8.3%
HealthCare	6.3%
Chemicals	6.2%
Insurance	5.5%
Misc	4.0%
Automobile	4.0%
Staffing	2.1%
Materials	2.1%
NBFC	1.9%
Textiles	1.6%
Media	1.5%
Building Materials	1.5%
Retail	0.2%
Oil & Gas	0.0%
FMCG	0.0%
Total	100.0%

Why is this important for Indian investors? With all its structural virtues, India will have to compete for FPI attention over 2023. Notwithstanding a near-perfect Union Budget that emphasised investment over consumption, FPIs will allocate to India on a **relative attractiveness basis** that takes into account China's reopening as well as other emerging markets.

The US economy has moved from inflation pain to severe recession to an emerging consensus around a milder recession. This holds potential for lifting at least some EMs into a growth surprise as well. Back in India, we are seeing softer-than-anticipated results for Q3FY23 (Dec qtr) barring Financials...

We maintain that navigating near-term challenges while remaining anchored with the medium-term story (India as a rising contributor to global GDP, via domestic drivers and an evolving policy mix) is the way forward. **This requires opportunistic alignment with the factors 'in play'** (refer to our [blog in The Economic Times](#) in mid Dec).

PORTFOLIO – defensive, but...

The Opportunities Strategy continues to remain in DEFENSIVE stance, with (Core + Cash) persistently at ~60%. However, cash has reduced by 1.5% over the last 3 months, as we've opportunistically added a bit of Value and Turnaround stocks to the Satellite slice.

On market cap classification, we've booked some profits in large caps (30.6% from 36.4% a quarter ago). Much of this has flowed into Small Caps. Also, Mid-caps are finally in double digits, indicating selective value hunting.

SECTORAL DECISIONS – IT is back

Despite reducing cash, it is still at almost 12%. During the month, we added Financials after over a quarter. We also added Infotech (now at the highest level in over a year), while exiting our FMCG position.

VALUATION – positioned well

The Buoyant Opportunities portfolio was valued at 22.2x FY23E (positive) earnings as at end-Jan 2023. This is roughly at par with the BSE-100 (positive) P/E of 21.6x. On FY24E basis, though, we are somewhat cheaper at 18.2x vs 19.0x for BSE-100. **We are (very) gradually positioning for risk and will move swiftly when we see the opportunity.**

Market cap category	Weight (%)
Large Cap %	30.6%
Mid Cap %	12.4%
Small Cap %	45.1%
Cash	11.9%
Total	100.0%

Core / satellite breakup	Weight (%)
Core	48.4%
Satellite	39.7%
<i>Cyclical</i>	12.7%
<i>Turnaround</i>	13.2%
<i>Value</i>	13.8%
Cash	11.9%
Total	100.0%

INVESTMENT RETURNS

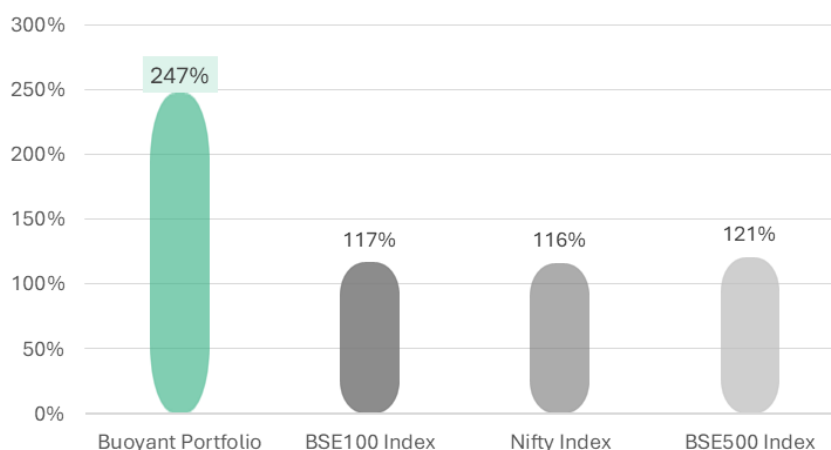
We have outperformed our benchmark (BSE-100) since inception of the Buoyant Opportunities Strategy in June-2016. We prefer not to get distracted by our short-term performance metrics. **We continue to sharpen what we believe is a durable cross-cycle framework and investment strategy.**

Total returns (%)	Buoyant Portfolio*	BSE 100 Index	Nifty 50 Index	BSE 500 Index
Since inception (1Jun 2016 to 31 Jan 2023)	20.5%	12.3%	12.3%	12.6%
Last five years	11.4%	9.5%	9.9%	9.2%
Last two years	30.9%	14.0%	13.8%	15.0%
Last one year	1.0%	1.8%	1.9%	0.3%
Last month	1.1%	-2.7%	-2.4%	-3.4%

Source: Bloomberg for BSE 100 Index, Nifty Index and BSE 500 Index. Buoyant Portfolio returns are post fees and expenses. More than one-year returns are annualised.

Risk metrics	1-year	3-year
Sharpe ratio (X)	-0.35	0.51
Jensen's alpha (%)	-0.01	0.07
Information ratio (X)	-0.09	0.56
Standard deviation (%)	0.18	0.33
R-squared (X)	0.75	0.80
Beta of portfolio (X)	1.00	1.34
Sortino ratio (X)	-0.57	0.70

Since inception returns (%)



BLOGS & MEDIA

Blogs

- [Budget simplified and historical market reaction – The Economic Times](#) on 31 Jan 2023
- [Leveraging AI for higher returns – The Economic Times](#) on 24 Jan 2023
- [Small misconceptions, large implications – The Economic Times](#) on 10 Jan 2023

Media Appearances

- [Viral Berawala \(CNBC Bajar\)](#) on 1 Feb 2023
- [Viral Berawala \(CNBC Bajar\)](#) on 20 Jan 2023
- [Jigar Mistry \(ET Now Swadesh\)](#) on 18 Jan 2023
- [Viral Berawala \(ET Now Swadesh\)](#) on 18 Jan 2022
- [Viral Berawala \(CNBC Bajar\)](#) on 6 Jan 2023
- [Jigar Mistry \(CNBC TV18\)](#) on 3 Jan 2023
- [Jigar Mistry \(BQ Prime\)](#) on 3 Jan 2023

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