

PERFORMANCE

For Mar-23, the Buoyant Opportunities Strategy was flat (vs 0.4% for the BSE-100, our benchmark). Over FY23, we beat our benchmark by over 7 percentage points, at 6.4% return. **We continue to enjoy 5 stars in the PMS Bazaar-CRISIL rankings conducted across 118 schemes.** All returns are computed post fees and expenses. Our latest [Disclosure Document](#) contains statutory details of the Liquid Strategy, an efficient and zero fee route for our clients to phase their entry into equity. [Contact Sakshi](#), our chatbot, for more information. HDFC Bank and Kotak Mahindra Bank are our custodians.

FY23 saw several spurts of volatility and eventually ended flat for the lead indices. However, broader markets witnessed deeper pain, with the BSE-500 slightly lagging the large cap indices. Outside of the top 100 cos by market capitalisation, three stocks fell over the year for every two that rose. That we outperformed at a portfolio level was thanks to some good stock picking and several nimble cash calls (like deploying ~6% cash during Mar-23). We had some misses as well, in what was a classic stock picker's market.

MARKET VIEW – more of the same?

We believe FY24 is unlikely to be any different. The world is still struggling with inflation, financial fragility and geo-political realignments, amidst a lingering war that has destabilised energy and commodity markets. India is the only large economy that shows promise, but much of it is increasingly dependent on rising global integration

SECTOR CLASSIFICATION	Weight (%)
Banking	32.4%
Infotech	13.9%
Industrials	10.1%
CASH	8.5%
HealthCare	6.2%
Chemicals	6.2%
Automobiles	4.5%
Insurance	4.2%
Materials	3.3%
Misc	2.6%
NBFC	2.0%
Staffing	1.9%
Media	1.6%
Textiles	1.3%
Building Materials	1.2%
Total	100.0%

and maturation of structural policy initiatives in an election year. The Indian stock market undeniably holds long term promise, even as near-term trajectory remains tied to capital flows driven by global events.

PORTFOLIO – defensive, but...

While we remain DEFENSIVE, we recognise that moving away from crowded trades is essential to deliver portfolio alpha. Not surprisingly, we continue to add small caps, which are now up a whopping 13 percentage points in the portfolio mix (over the year) to as much as 49.4%.

We **don't** see this as an increase in 'risk' or beta. This is because 'core' holdings (what we see as relatively less volatile choices in our CORE/SATELLITE framework) have actually increased by 720 bps to over 51%. As Benjamin Disraeli (Conservative pioneer and two-time PM of Britain) famously said: *'The secret of success is to be ready when your opportunity comes'*.

Plus, we still see markets being in a range bound mode and will thus exit 'at a price', as we have selectively done in the trailing year. Also, in line with our belief that a great company is not always a good investment, we have avoided several good to great mid-caps which are still at not-so-compelling valuations.

SECTORAL DECISIONS

Sector wise, our love for financials, especially large caps, is intact. Other than financials, portfolio weights for 'India plays' are higher than export-focussed themes. Not surprisingly, the biggest sectoral change in the portfolio over the trailing twelve months has been the near doubling of weight for 'Industrials'. This is in line with our view on the trajectory for Indian manufacturing and the country's infrastructure build-out.

MARKET CAP CATEGORY	Weight (%)
Large Cap	32.2%
Mid Cap	9.9%
Small Cap	49.4%
CASH	8.5%
Total	100.0%

CORE/SATELLITE BREAKUP	Weight (%)
Core	51.5%
Satellite	40.0%
Cyclical	14.6%
Turnaround	13.8%
Value	11.5%
CASH	8.5%
Total	100.0%

VALUATION

The Buoyant Opportunities portfolio was valued at 22.4x FY23E (positive) earnings as at end-Mar 2023. This is only a bit dearer than the BSE-100 (positive) P/E of 21.6x. On FY24E basis, we are somewhat higher at 18.9x (vs 16.0x for BSE-100).

INVESTMENT RETURNS

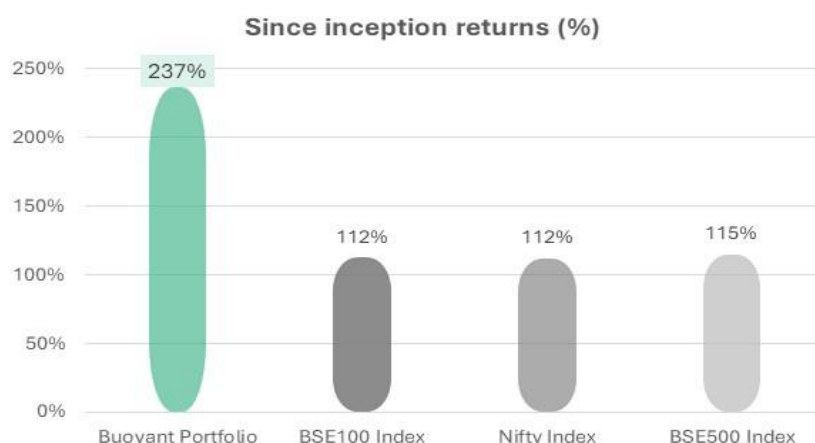
We have outperformed our benchmark (BSE-100) since inception of the Buoyant Opportunities Strategy in June-2016. We prefer not to get distracted by our short-term performance metrics, whether we are ahead of (or behind) our benchmark, the BSE-100 Index.

We continue to sharpen what we believe is a durable cross-cycle investing framework and strategy. This framework enables us to offer a SINGLE PMS scheme/strategy for investors wherein we take the allocation decisions across market caps, sectors and themes flexibly over time, thus sparing investors the confusion of having to choose (and allocate sporadically) across various schemes. We see our cumulative returns since inception as reasonable evidence of the robustness of this investment framework, even as we recognise that we will inevitably have to navigate new challenges, to deliver outperformance hereon.

Total returns (%)	Buoyant Portfolio*	BSE 100 Index	Nifty 50 Index	BSE 500 Index
Since inception (1 Jun 2016 to 31 Mar 2023)	19.5%	11.7%	11.7%	11.9%
Last five years	13.1%	10.9%	11.4%	10.4%
Last two years	23.3%	8.8%	8.7%	8.7%
Last one year	6.4%	-0.7%	-0.6%	-2.3%
Last month	0.0%	0.4%	0.3%	0.3%

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)	-0.06	1.97
Jensen's alpha (%)	7.06	20.68
Information ratio (X)	1.18	1.73
Standard deviation (%)	15.80	21.26
R-squared (X)	0.86	0.65
Beta of portfolio (X)	0.99	1.05
Sortino ratio (X)	-0.11	5.30



BLOGS & MEDIA

Blogs

- [What happened to SVB cannot happen to Indian banks - The Economic Times](#) 4 Apr 2023
- [Balancing act - The Economic Times](#) 28 Mar 2023
- [Relativity trap - The Economic Times](#) 14 Mar 2023
- [Viewing markets in dynamic equilibrium - The Economic Times](#) 6 Mar 2023

Media Appearances

- [Jigar Mistry \(ET Now\)](#) 28 Mar 2023
- [Viral Berawala \(ET Now Swadesh\)](#) 22 Mar 2023
- [Jigar Mistry \(ET Now Swadesh\)](#) 15 Mar 2023
- [Viral Berawala \(ET Now\)](#) 14 Mar 2023
- [Viral Berawala \(CNBC Bajar\)](#) 21 Mar 2023
- [Viral Berawala \(CNBC Bajar\)](#) 17 Mar 2023
- [Viral Berawala \(CNBC Bajar\)](#) 9 Mar 2023
- [Viral Berawala \(CNBC Bajar\)](#) 3 Mar 2023

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