



Buoyant Opportunities Portfolio

Fact-Sheet for Jun-21

Overall performance commentary

For the month of Jun-21, Buoyant Opportunities Strategy generated 5.6% vs. 1.2% for BSE-100 (the benchmark). Returns are post fees and expenses as computed by Kotak Mahindra Bank. We welcome Sunita Mantri and Hardic Joshi to the team, who joined as Quant analyst and in Sales & Distribution respectively.

What to look forward to from markets?

Covid wave two has ebbed and vaccinations are on schedule. For the just concluded results season, profitability has improved (it is now above pre-Covid levels), liquidity situation is benign and Central Banks think that inflation is transitory. What could go wrong? No one knows; not that the future is predictable. But let us look at some other metrics - valuations in build in profitable growth for extended periods of time, retail participation is highest atleast in the last 2 decades, and IPO/secondary sale markets are busy. Just in May and June a total of INR56,000 crore worth of liquidity got sucked out of the markets through IPO, QIP, secondary sales by promoters & PE. The IPO calendar looks full for the coming weeks, we are watchful of the excesses in the market.

Allocation decisions

During the month we increased cash component to 8% of the portfolio. We continue with our strategy to increase liquidity of the portfolio by moving to higher market cap stocks. The weighted average market cap has moved from a low of INR65,108 crore in Mar-20 to INR129,700 crore at the end of Jun-21.

To better manage risk and volatility, we are also limiting exposure to a stock at an account level.

Over the long term our endeavour is to allocate a part of the portfolio towards investments in companies that are making investments towards innovations. These might be new age companies (at a right price) or old economy company where technology is a disruptor.

Sectoral decisions

The results season ended this week and we start a new results season in a week's time.

During the month we increased weights to auto ancillary sector. Within auto, we avoid 2-wheelers where the threat of EV is more immediate. Info-Tech weight is now close to 15%, however, investments are in a platform company, ER & D company and BPM companies.

In terms of portfolio characteristics – the forward PE of the portfolio for FY22 is 15.7 (we continue to exclude telecom stocks due to historic losses). The Bloomberg estimated 1 year forward Nifty positive PE (Mar 2022) is at 21.5.

Total returns (%)	Buoyant Portfolio*	BSE 100 Index	Nifty 50 Index	BSE 500 Index
Inception (June 2016 - June 2021)	21.3%	13.9%	13.8%	14.5%
Last five years	20.5%	13.7%	13.7%	14.2%
Last two years	25.4%	15.9%	15.5%	18.5%
Last one year	107.4%	53.8%	52.6%	59.7%
Last six months	35.2%	13.5%	12.4%	17.3%
Last three months	20.3%	7.7%	7.0%	9.5%
Last month	5.6%	1.2%	0.9%	1.9%

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

See disclaimer in the Quarterly newsletters on how the Buoyant Portfolio returns are calculated. More than one year returns are annualized

Risk Ratio	Fwd Positive PE	Std Deviation	Beta	Jensen Alpha	Sharpe Ratio
1 year	15.77	20.55	0.98	61.69	5.82

Source: Bloomberg PORT function. Based on daily portfolio uploaded to Bloomberg on EOD prices.

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Sectoral classification

Banking	22%
Info Tech	15%
Chemicals	8%
Automobile	9%
Insurance	5%
Industrials	6%
Oil & Gas	5%
Building Materi	0%
Telecom	4%
Retail	4%
Staffing	3%
HealthCare	3%
Media	0%
Cash	8%
Materials	4%
Misc	2%
Total	100%

Internal classification

Core	48%
Cyclical	16%
Turnaround	21%
Value	6%
Cash	8%
Total	100%

Market-cap classification

Large Caps	32%
Mid Caps	18%
Small Caps	41%
Cash	8%
Total	100%