

Electrum Portfolio Managers Private Limited

Electrum Laureate Portfolio- May 2025

Objective

The investment objective is to generate appropriate risk adjusted returns over medium to long term by investing in diversified portfolio of equity shares of fundamentally strong listed businesses with bias towards investing in small and midcap companies.

- Active Management
- Concentrated Portfolio
- Bottom-up stock picking
- High equity risk profile
- Mid and Small-Cap Oriented Strategy

Market Summary

Market update

Nifty 50 returns in May month were 1.7% while BSE 500 was 3.4%. Broader markets performed better, small midcaps gave returns closer to 8-9%. Equity markets saw significant correction in March and April months led by factors such as tariff wars, geopolitical issues, and slowdown in domestic GDP. Among those factors the most uncertain was tariff and reciprocal taxes. We saw relentless selling by FII's as well as retail investors. However, in May month we saw a smart recovery in markets as investors took advantage of the sharp declines in stock prices. This was unexpected and the rally continues so far in June.

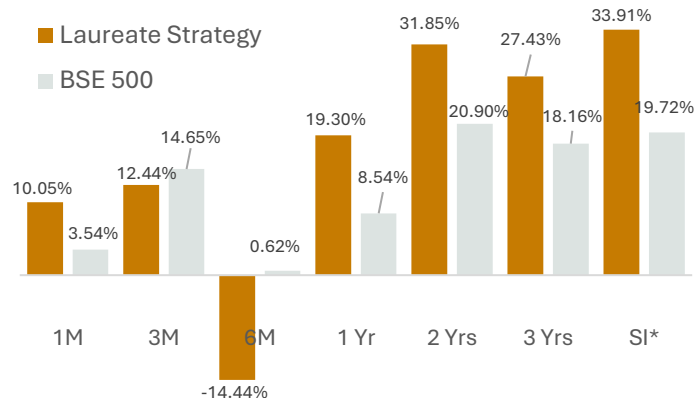
The Pahalgam attacks on 22nd April 2025 on tourists led to significant tensions and escalations between India and Pakistan. India carried out Operation Sindoor in retaliation of the Pahalgam attack. It was a time where the country came together and appreciated the swift and strong action by India. Indian defence forces carried out precision attacks on terrorist launch pads in various locations in Pakistan. These attacks led to escalations with Pakistan attacking India. Attacks continued from both sides, and this further impacted market sentiments. However, within few days we saw peace treaty being signed and markets recovered quickly.

Trump tariffs

On 9th April Trump administration announced 90 day pause on the tariffs that had been announced earlier. 90 days tariff came with a base tariff of 10% on all imports into the US on all countries except China. US China tariff war continued with tariffs going as high at 150% on China and in a few days getting reversed to 30%. Thus markets have swung sharply with the uncertain and unknowing events in the last 3 months.

Final tariffs are going to be announced once the 90 days period come to an end on 9th July 2025. There can be continued volatility in markets citing finalisation of tariffs and uncertainty around it. We believe India may have a relatively lower tariff vs China which can be a beneficial for India's export-oriented sectors over long term.

Electrum Laureate Performance:



Returns as on May 31, 2025	1M	3M	6M	1 Year	2 Year*	3 Year*	SI**
Laureate Strategy	10.05%	12.44%	-14.44%	19.30%	31.85%	27.43%	33.91%
BSE 500 (TRI)	3.54%	14.65%	0.62%	8.54%	20.90%	18.16%	19.72%
Out/(under) performance	6.51%	-2.21%	-15.06%	10.76%	10.95%	9.27%	14.19%
Nifty Smallcap 250 (TRI)	9.64%	21.64%	-4.85%	8.36%	31.11%	25.65%	29.88%
Out/(under) performance	0.41%	-9.20%	-9.59%	10.94%	0.74%	1.78%	4.03%

*Annualized Return

** Since Inception Date 23/11/2020

Key terms

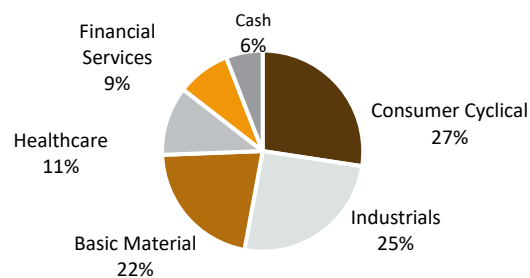
Scheme: Electrum Laureate

Benchmark: BSE 500 TRI

Min. Investment: Rs 50 lakhs

Strategy type: Open ended

Top Sectors



Portfolio Attributes	FY26E	FY27E	FY28E
P/E (x)**	34.1	25.5	20.1
D/E (x)**	0.57	0.13	0.11
ROE (%)	15%	17%	17%

Portfolio Attributes*	Laureate Strategy	BSE 500 (TRI)
Sharpe	1.79	1.23
Treynor	26.23	14.07
SD %	24.45	17.98
Information Ratio	1.42	-
Beta	1.08	-



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Domestic economy

India's GDP growth in Q4 was a strong at 7.4%, a sharp pick up from Q3. FY25 full year GDP growth came in at 6.5% which is reasonably strong. Most of the economists and reports are suggesting a growth of 6.5% in FY26 as well and anything better than this can have a positive surprise. Last year amid elections the growth rates were slower however we anticipated a higher growth going ahead.

Further GST collections in May month jumped 16% to Rs. 2.01 trillion suggesting continued growth momentum. India has also seen early onset of monsoon and overall monsoons are expected to be above average which bodes well for the economy easing inflationary concerns and a possibility of larger rate cuts.

India is a growing country today with size and scale. At the same time, lot of shift in manufacturing is happening and global supply chains will get re positioned. India has to manage cordial relations with the world at the same time be cautious of any trade, economic and physical threats from neighbouring countries. A strong Government at the helm is more important now.

Portfolio

The uncertainty over the last few months have led to corrections in the market. We have made changes to the portfolio by trimming some positions and also reducing export oriented stories and buying domestic focussed stories. We added in companies in the retail space, hospital space, defence space etc. Further we are holding some cash to utilise in any further correction that we may see. We are continuously assessing the portfolio and making changes where required.

In last 10-12 years we have seen many instances of small and midcaps indices correcting by 15-20% but have seen sharp rebounds in subsequent periods. There have been periods of war, geo political tensions, political uncertainty, GST, demonetisation and most recent tariff war. Making use of such falls by adding to equity positions have always been advantageous.

Conclusion

We believe India is well positioned from a medium to long term in terms of growth. Indigenisation, make in India, increased manufacturing bodes well for the economy and companies. With more than 200 IPO's in last 3-4 years, we now have a plethora of businesses to invest in. We see certain risks emanating from unstable US administration policies, large debt US is sitting on coupled with large fiscal deficit and geo political tensions globally. We may see intermittent volatility and there will not be a linear growth. India is the fastest growing nation and TINA factor will come in going ahead with uncertainty around the world. Hence over long term we are positive on Indian equities.

"More money has been lost trying to anticipate corrections than in the corrections themselves." — Peter Lynch