

Electrum Portfolio Managers Private Limited

Electrum Laureate Portfolio- September 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

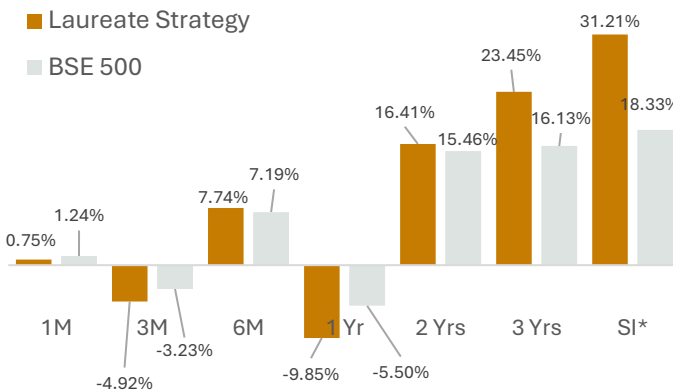
Market Summary

India markets review

Indian markets have been consolidating and have moved sideways over last 1 year underperforming many global peers. Higher valuations, unexpectedly higher tariffs at 50%, failure to seal a trade deal with US yet, lower earnings growth, FII selling led by depreciating rupee have all contributed to the weak market sentiments. However Indian markets are expected to catch up once a trade agreement between US and India is finalised and earnings growth come back. FII selling in last 1 years has been close to \$28 bn largely concentrated in IT and financials followed by oil and gas, realty and power sector. Although FII's have aggressively sold in the secondary markets, they have been active in the primary market with good inflows. In secondary markets, FII have churned their country weights and added other emerging markets like Korea, Taiwan, China in their portfolio after Indian markets outperformed over last 2 years.

There is a continued weak sentiment in the market largely led by uncertain and erratic moves of Donald Trump. The recent tariff announcements on IT and pharma sector by US administration have again led to a sell off over last few days in the markets. Investors are trying to ascertain the next move of Trump and products/segments on which tariffs can come. This is highly difficult to predict. We believe that large part of negatives is mostly priced in. If any favourable trade deal happens between US and India, it may lead to uptick in markets. India EU are also expected to sign a trade deal soon which will be beneficial.

Electrum Laureate Performance:



Returns as on September 30, 2025	1M	3M	6M	1 Year	2 Year*	3 Year*	SI**
Laureate Strategy	0.75%	-4.92%	7.74%	-9.85%	16.41%	23.45%	31.21%
BSE 500 (TRI)	1.24%	-3.23%	7.19%	-5.50%	15.46%	16.13%	18.33%
Out/(under) performance	-0.49%	-1.69%	0.55%	-4.35%	0.95%	7.32%	12.88%
Nifty Smallcap 250 (TRI)	1.18%	-5.92%	10.95%	-8.82%	17.51%	22.73%	27.00%
Out/(under) performance	-0.43%	1.00%	-3.21%	-1.03%	-1.10%	0.72%	4.21%

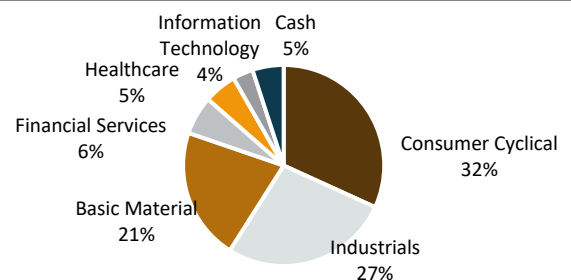
*Annualized Return

** 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)**	37.7	26.4	19.9
D/E (x)**	0.14	0.11	0.08
ROE (%)	14%	16%	17%

Portfolio Attributes*	Laureate Strategy	BSE 500 (TRI)
Sharpe	1.65	1.13
Treynor	23.85	12.67
SD %	23.90	17.54
Information Ratio	1.29	-
Beta	1.07	-

Reforms mindset if Indian Government

India needs both the engines to fire – manufacturing and consumption. Government is continuously coming up with policies which can help manufacturing sector. We have seen good order announcements in defence, railways, PLI schemes in electronics and renewables, increased focus on semiconductors and now on AI. It has recently also announced its intention to make shipping and shipbuilding a major sector in India. Thus, in summary Government is helping manufacturing sector in a big way, something that was not witnessed earlier. Recent reforms on GST mainly reduction in rates have led to a reasonably strong uptick in sales in some segments. Automobiles have benefitted the most followed by consumer staples where GST rates have been reduced on household items. Other areas which are expected to benefit are mid range hotels, consumer durables and building materials like cement.

Government is also trying to fast track deal with EU which can further open export doors for India. We anticipate many export oriented companies will reduce their exposure to US over next couple of years and diversify their businesses to other countries.

Opportunity lies in adversity

It's often said that negative experiences and situations can lead to some of the best opportunities. Today is the time where US, one of India's biggest allies has imposed highest tariffs, many years of relationship and trust have been impacted. It is time where Government seizes this opportunity amid uncertainty and continue with big bang reforms which can take India on a structural growth path for next couple of years. It can get global manufacturing in India by increasing outsourcing in various sectors. With right policies on land, labour and capital it can achieve large scale manufacturing. It's only when we are pushed hard, our concentrated efforts can lead to highly successful outcomes. We hope Government will continue shaping favourable policies on Make in India, increase exports and gain indigenisation in most sectors. With trade deal done with UK and soon to be concluded deal with EU India can diversify its exports. Russia and China have also shown desire to import more from India and reduce trade imbalance.

Indian Economy

On the macro front, RBI raised FY26 GDP growth forecast to 6.8% (vs 6.5% earlier), supported by good monsoon, rural demand recovery, and strong services, though external trade drag remains. CPI inflation for FY26 was cut sharply to 2.6% (from 3.8% earlier), led by food deflation, GST rationalization, and strong supply-side support. RBI has also said despite higher US tariffs and ongoing uncertainties, Indian economy has remained resilient and any loss in GDP on account of Tariff uncertainty will be compensated by reforms mainly the recent GST reforms.

Income tax cuts last year and GST rate cuts this year will lead to increased consumption. Gross GST collections in September increased by 9% to Rs 1,89 lac cr, while post tax increased by 5%. Monsoon has progressed very well in this season and is expected to boost the rural spending. Inflation is expected to remain benign. All these are positive factors and sets the stage for revival in earnings.

US economy and continuation of Trump tantrums

US agenda to get back large-scale manufacturing back seems to be an odd pursuit. As economies develop they move up the value chain in manufacturing with complex and hi-tech products. Today US has strength in high value chain and complex products manufacturing and not in low value products. US has a high cost of labour and energy along with tough regulations which are not suited for labour intensive manufacturing. With trust issues building up and policy uncertainty it's unsure whether countries will actually move large part of manufacturing in US. We have also not witnessed big capex announcements so far in this regard. US government may have to further loosen their purse to give benefits to shift their facilities which may reduce the overall benefit of tariff. Recent Visa regulation changes, 100% duties in branded pharma products have again led to uncertainty. Further focus on unusual sectors like increased tariffs on foreign made films and furniture items show desperation and uncertainty to cover anything and everything with tariffs.

US sitting on ~\$ 37 tr debt which is looking very difficult to repay. Tariffs can partially help however it needs to be seen how the tariffs are used. Inflation expectations can further increase from here led by tariffs. US may slowdown as result which can make it difficult to service the debt obligations. US stock markets are currently at the highest level since dot com bubble.

To conclude

As mentioned earlier equity returns are never linear. They come in bursts with stretches of stagnation in between. Large part of returns come in very short time span with rest of the period not adding much value. Hence one needs to be positioned rightly to derive those returns. Timing the market may work sometimes but not always. We generally bet on companies with structural growth opportunities and reasonable valuations. These companies are generally chasing a bigger addressable market, expanding their capacities, diversifying their product mix and adding new products and geographies. Such companies have strong management, execution capabilities, and healthy balance sheet to support growth. Such companies over longer periods give strong returns but usually come with large drawdowns intermittently due to macro uncertainties or business uncertainties. Stock prices swing between emotions and sentiments of investors and traders in short term, but over long-term stock returns will closely mimic fundamental factors of a company mainly growth in earnings followed by health of the balance sheet.

Equity investments are never for a year, and 3-5 years is an absolute minimum period to judge. Our objective is to compound returns for longer periods of time rather than focus on few months. We see increased investment opportunities over next couple of years with lot of vibrancy in our economy. Large number of new listings have happened over last 3-4 years giving us an opportunity to participate in growing businesses. Our portfolio continues to bet largely on domestic stories and remain diversified with strong growth prospects. As market sentiment changes positively, we anticipate stronger returns in coming years.

Did you know ?

The space industry is on a strong growth path with new developments happening at striking pace. **The global space economy was \$ 630 bn in 2023 and is projected to reach \$1160 bn in 2030 and \$1790 bn by 2035, a CAGR of ~ 9%. (As per McKinsey &Co)**

A striking data point is number of objects launched into the space each year reveals 2,849 objects launched into the space globally in 2024 (sum of all countries, with US leading at 2,263, followed by China at 266) vs only 241 objects launched in 2014 (with US leading again at 95 launched followed by Russia at 35 and China at 25). For the perspective India launched 4 objects in 2014 and 10 in 2024. (As per United Nations Office for Outer Space Affairs, 2025)