Electrum Portfolio Managers Private Limited

Electrum Laureate Portfolio- December 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
- High equity risk profile
- Concentrated Portfolio
- Mid and Small-Cap Oriented Strategy
- Bottom-up stock picking

Market Summary

Market Overview

Indian equities remained weak in last few weeks amid renewed tariff threat by Trump administration. Instead of a bilateral trade deal there are fresh threats of higher tariffs. Further elevated geopolitical risk is adding fuel to fire. In absence of a trade deal with US, Indian equities may remain weak. This is leading to a negative sentiment among investors. Investors are choosing to stay on the sidelines till further clarity emerges over bilateral deal. In our view this may be one of the most important factors for re-rating in Indian stocks followed by Union Budget 2026 and quarterly earnings.

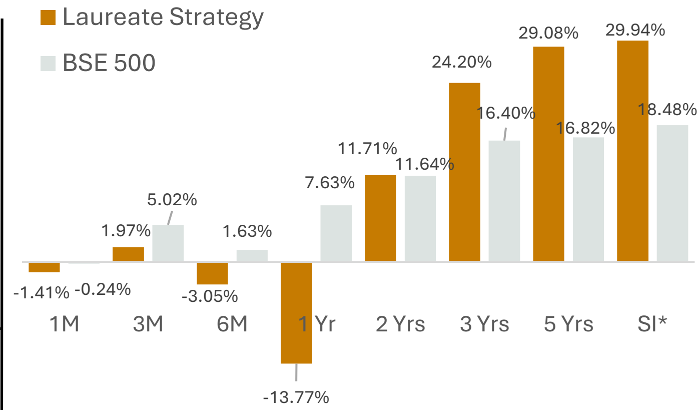
India Macro

India's macro environment in December 2025 remained largely stable. We believe India's growth cycle will accelerate going ahead as Government and private capex takes shape. Rate cut by RBI and GST rate cuts have been positive factors in re-igniting the growth cycle.

Tax collections showed a mixed trend. Gross GST collections in December 2025 grew 6.1% YoY to ~₹1.75 lakh crore, supported by domestic consumption, though IGST collections declined, reflecting weaker import activity. For April–December FY26, GST collections increased 8.6% YoY to ~₹16.5 lakh crore. Direct tax collections rose sharply by 19% YoY in November to ₹1.2 trillion, driven by strong corporate tax growth.

The Indian rupee depreciated ~6% during CY25, crossing ₹90 per US dollar, as capital inflows remained weak and the RBI reduced intervention. This also resulted in incremental selling by FII's.

Electrum Laureate Performance:



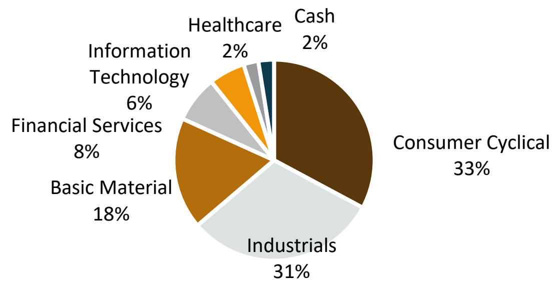
Returns as on December 31,2025	1M	3M	6M	1 Year	2 Year*	3 Year*	5 Year*	SI**
Laureate Strategy	-1.41%	1.97%	-3.05%	-13.77%	11.71%	24.20%	29.08%	29.94%
BSE 500 (TRI)	-0.24%	5.02%	1.63%	7.63%	11.64%	16.40%	16.82%	18.48%
Out/(under) performance	-1.17%	-3.05%	-4.68%	-21.40%	0.07%	7.80%	12.26%	11.46%
Nifty Smallcap 250 (TRI)	-0.28%	0.04%	-5.89%	-5.48%	9.65%	21.48%	23.31%	25.53%
Out/(under) performance	-1.13%	1.93%	2.84%	-8.29%	2.06%	2.72%	5.77%	4.41%

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)**	48	28	22
D/E (x)**	0.15	0.12	0.09
ROE (%)	15%	17%	18%

Portfolio Attributes*	Laureate Strategy	BSE 500 (TRI)
Sharpe	1.58	1.16
Treynor	22.63	12.82
SD %	23.60	17.24
Information Ratio	1.16	-
Beta	1.07	-

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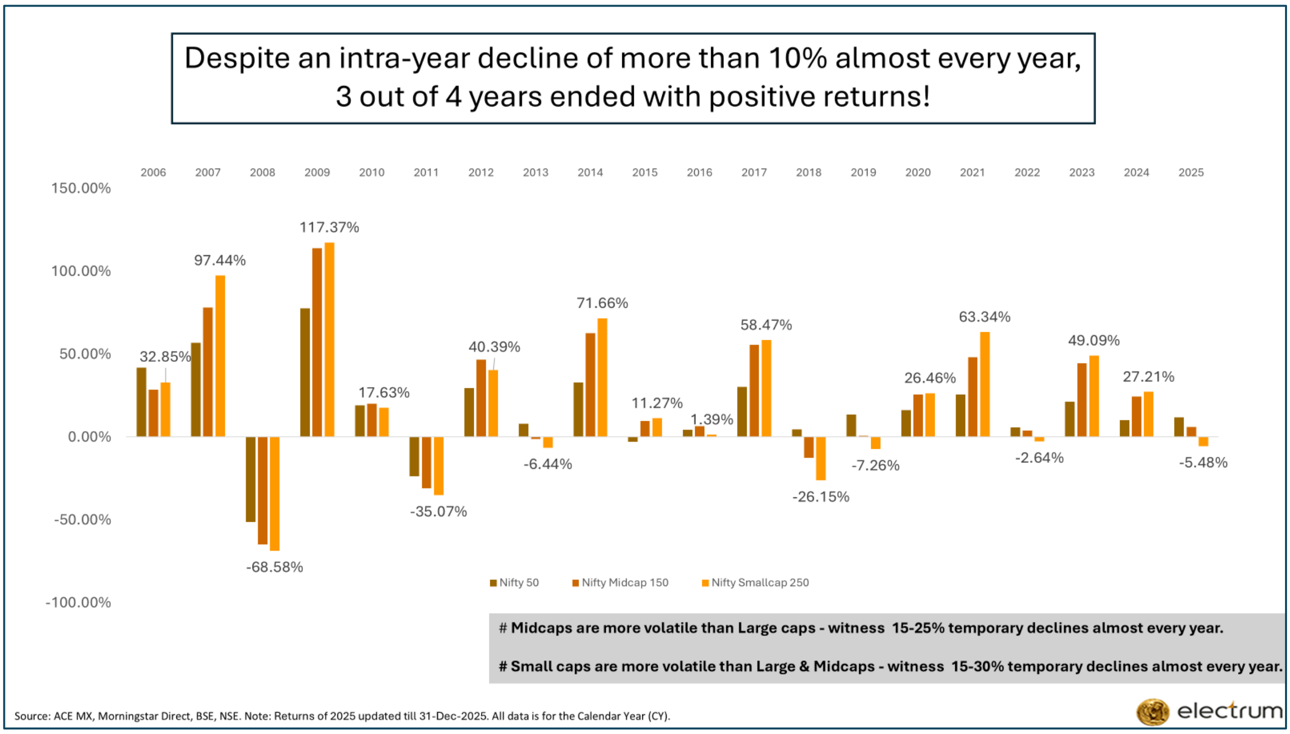
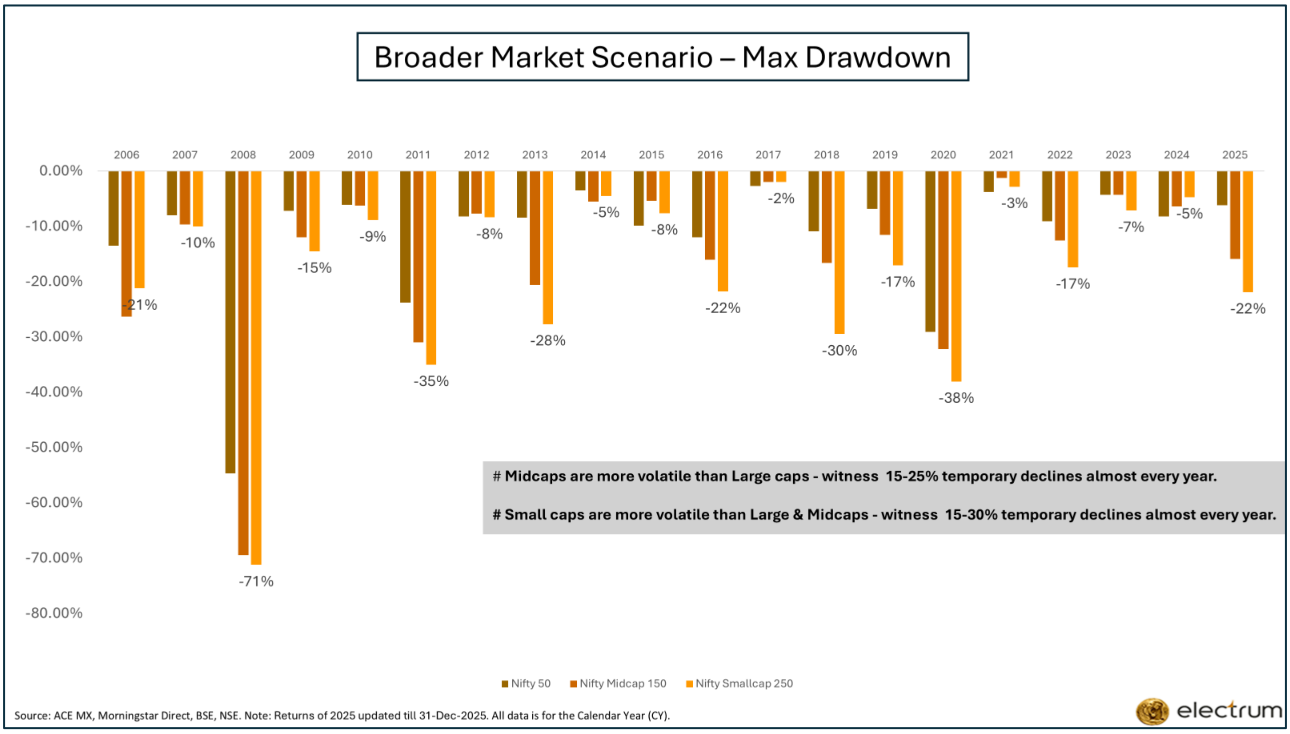
"Market corrections are normal; long-term returns reward patience."

The chart below depicts that generally every 2 years markets witness sharp corrections. Also, most of the years witness an intra year decline of around 10%. However the subsequent recovery tends to be quite sharp and history suggests every 3 out of 4 years end in positive return territory.



Further the below chart depicts that markets witness drawdowns almost every year with small caps and midcaps being more volatile. However as earlier chart shows the rebounds also tend to be much stronger. Thus, our focus remains on selecting companies with structural growth opportunities rather than timing the market ups and downs. While we may time the market right once or twice, there is no certainty that we will go right every time. Periodic market corrections are a normal feature of equity investing and tend to occur even during structurally strong phases.



Performance of Recently Listed Stocks (IPO Index) – CY25

Index	Drawdown from their 52-week High		
	Drawdown >30%	Drawdown >40%	Drawdown >50%
IPO INDEX	29%	14%	5%

Note: *Drawdown data is calculated using closing prices as of 31 December 2025.*
The list of constituent companies for the NSE IPO Index and BSE IPO Index has been sourced from Ace Equity. More than 80% of the constituent companies overlap between the two indices; accordingly, a combined universe has been considered for drawdown analysis.

CY25 witnessed a large number of new equity listings, many of which are constituents of the NSE or BSE IPO Index. Post-listing performance has been mixed, with a meaningful portion of stocks experiencing sharp drawdowns from their respective 52-week highs. As of 31 December 2025, ~29% of IPO Index constituents are trading more than 30% below their 52-week highs, while ~14% and ~5% are down over 40% and 50%, respectively, highlighting elevated volatility among newly listed companies. This correction reflects post-listing valuation normalisation following aggressive pricing during periods of strong liquidity and elevated risk appetite. As market conditions tightened and earnings delivery came under sharper scrutiny, several IPO stocks witnessed de-rating. Stock-specific execution risks, sector cyclicality, and limited operating track records as listed entities further contributed to underperformance. We have seen increased IPO frenzy in last 1-2 years. Even though most of theses IPO's have been priced at much higher valuations, there has been much higher participation by investors for short term/listing gains. We believe as these gains start moderating and investors start incurring losses we will start seeing funds getting diverted to secondary markets where valuations are relatively attractive.

Broader Market Index Data (As of 31 December 2025)

Index	Drawdown from their 52-week High		
	Drawdown >30%	Drawdown >40%	Drawdown >50%
Nifty Midcap 150	19%	3%	0%
Nifty Small cap 250	38%	17%	6%
Nifty 500	29%	10%	3%

Note: *All 52-week drawdown metrics are computed using closing prices as of 31 December 2025.*
Drawdown thresholds are reported on a cumulative basis—i.e., the ">30%" bucket also includes stocks down more than 40% and 50%, and the ">40%" bucket similarly includes those down more than 50%.

As of end-December 2025, a significant proportion of constituents across broader indices are trading meaningfully below their respective 52-week highs, indicating a broad-based market correction rather than index-specific weakness. The correction is most pronounced in the Nifty Small cap 250, where nearly 38% of stocks are down more than 30%, 17% have corrected over 40%, and ~6% are down more than 50% from their 52-week highs. The Nifty Midcap 150 has demonstrated relatively greater resilience, with ~19% of stocks down more than 30%. The Nifty 500 shows that ~29% of stocks are down over 30%, while ~10% and ~3% have corrected more than 40% and 50%, respectively, indicating that the correction has extended beyond small caps into large and mid-sized companies too.

Conclusion

Historically, mid- and small-cap segments have seen sharper interim declines compared to large caps. However, these short-term fluctuations have consistently been followed by recoveries as fundamentals play out over time. Importantly, despite intra-year volatility, most years have ended with positive returns, reinforcing the resilience of Indian equities.

For long-term investors, such phases help reset expectations, improve entry opportunities, and strengthen the quality of market participation. Staying invested through these temporary phases has historically been rewarded, particularly in segments aligned with India's growth-led economic expansion.

On the portfolio side we continue to maintain thesis of investing in fundamentally strong companies with reasonably good growth opportunities. We are maintaining agility and making quick changes wherever required. We do believe that India remains the fastest growing market in the world and investors including FII's may not be able to ignore Indian markets for a long time. We are overall positive from medium to long term year view on Indian equities.