

Electrum Portfolio Managers Private Limited

Electrum Laureate Portfolio - January 2026

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

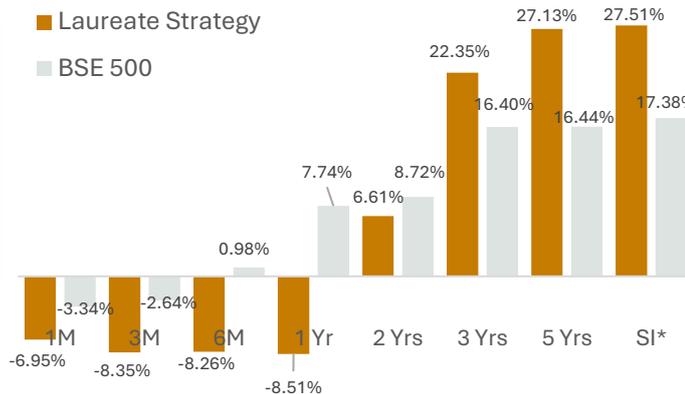
Market Summary

Market Overview

January month was another difficult and volatile month based on various macro factors mainly US invasion on Venezuela, increased ownership narratives on Greenland and heightened issues between US and Iran. This led to decline in markets in January month mainly due to heightened geopolitical uncertainty. This led to sharp outflows by FII's leading to Rupee falling to all time low of Rs 92. The FII's were net sellers of -\$3260 mn while so far in Feb 2026 they turned net buyers as soon as we saw US India agreed for a trade deal.

On the positive side India and USA agreed to sign FTA with rates coming down to 18% from present 50%. Headline index rallied 2.5% while small caps rallied around 3%. The deal signing is yet to happen and sector wise details are yet to come out. We believe markets will need further clarity sector wise for the rally to sustain. However, this news changes the market sentiment, and we believe we may now start seeing sustained inflows by FII's too. This agreement clears up a major hangover on the market. With lower tariffs, we expect capital flows to recover, ease current account deficit and ease pressure on rupee. Going ahead while the US India FTA may get concluded however we need to see the fine prints. Till the time geopolitical uncertainty remains markets may remain worried and volatility may continue although with lower intensity.

Electrum Laureate Performance:



Returns as on January 31,2026	1M	3M	6M	1 Year	2 Year*	3 Year*	5 Year*	SI**
Laureate Strategy	-6.95%	-8.35%	-8.26%	-8.51%	6.61%	22.35%	27.13%	27.51%
BSE 500 (TRI)	-3.34%	-2.64%	0.98%	7.74%	8.72%	16.40%	16.44%	17.38%
Out/(under) performance	-3.61%	-5.71%	-9.24%	-16.25%	-2.11%	5.95%	10.69%	10.13%
Nifty Smallcap 250 (TRI)	-5.50%	-8.88%	-7.77%	0.01%	2.90%	20.13%	21.67%	23.70%
Out/(under) performance	-1.45%	0.53%	-0.49%	-8.52%	3.71%	2.22%	5.46%	3.81%

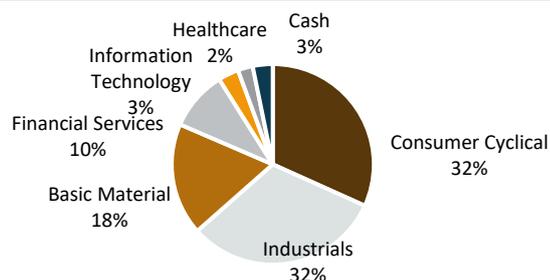
*Annualized Return

** 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)**	45	26	20
D/E (x)**	0.17	0.14	0.11
ROE (%)	16%	18%	19%

Portfolio Attributes*	Laureate Strategy	BSE 500 (TRI)
Sharpe	1.42	1.06
Treynor	20.29	11.72
SD %	23.73	17.19
Information Ratio	1.02	-
Beta	1.08	-

Union Budget key takeaways

On the Budget front, the Union Budget stayed the course on fiscal consolidation, even as the pace of capex moderated, given the revenue constraints. The capital expenditure is budgeted to grow at 11.5% to Rs12.2 lakh crore for FY2027BE. Lower tax revenues have led to slightly below estimated capex expenditure. Below tables shows the capex growth in important segments:

Capital Outlay Budget 2026	FY25A	FY26RE	FY27BE	%Change
Defence Services	1,59,768	1,86,454	2,19,306	18%
Ministry of Railways	2,69,259	2,65,000	2,92,830	11%
Ministry of Road Transport and Highways	2,85,344	2,72,051	2,94,167	8%
Ministry of Power	19,714	21,588	29,997	39%
Department of Water Resources, River Development and Ganga Rejuvenation	20,867	18,406	19,913	8%
Department of Drinking Water and Sanitation	25,853	23,031	74,895	225%
Nuclear Power Projects	2,244	1,333	2,500	88%

There were no major changes in direct taxes or capital gains which may have benefitted the middle class and investors, however a sudden increase in STT on F&O impacted the already weak market sentiments. This will lead to negative impact on volumes for exchanges and broking companies alike.

Portfolio review

At the portfolio level, we have been agile and made changes wherever required. Some profit booking has been made in some of the stocks while some of the weaker companies have been removed. We have a diversified portfolio with exposure to multiple sectors. Few of the companies which are exposed to export markets will benefit for the recent EU-India FTA and US-India FTA. Our stock selection approach remains largely similar, and we continue to back companies with strong growth, credible management accompanied by strong balance sheet. Our portfolio companies delivered good results in Q2FY 26 and further in Q3 FY 26 most of the companies have continued to deliver good results as shown below:

Weighted Average YoY Growth – Portfolio (3Q26 vs 3Q25)	
Metric	YoY Growth
Revenue from Operations	17%
EBITDA	24%
PAT	149%

Note - YoY growth is based on 16 of 26 portfolio stocks, as results for the rest are pending.

*Weights as on 31st January 2026. The exponential growth in PAT is primarily due to one portfolio company turning profitable during the quarter, resulting in a favourable base effect.

Biases at play

In times of negative events, investors usually panic and rush to sell. Companies which are not impacted by the negative event will also experience drawdown as investor exits their positions. Most investors make common mistake of exiting and most of the times their exits are near the bottom. They also tend to time the end of the negative event, so that they can invest at the 'right time' however history shows by that time already markets make the move and alpha creation opportunities are lost. Investors also start doubting their existing investments in various companies just because of negative market sentiments.

Some of the biases exhibited by investors

Herd mentality – People tend to follow actions of majority of the market, assuming market must be right, rather than doing own due diligence

Recency bias – Investors tend to give undue weight to recent invests assuming current uncertainties and trends will continue and they position the portfolio accordingly. This may lead to missed opportunities in subsequent rallies.

Anchoring bias – Investors fixate on particular set of news/information based on current trends which acts as anchor in their minds. They may miss the incremental information or expectations of reversal of trends.

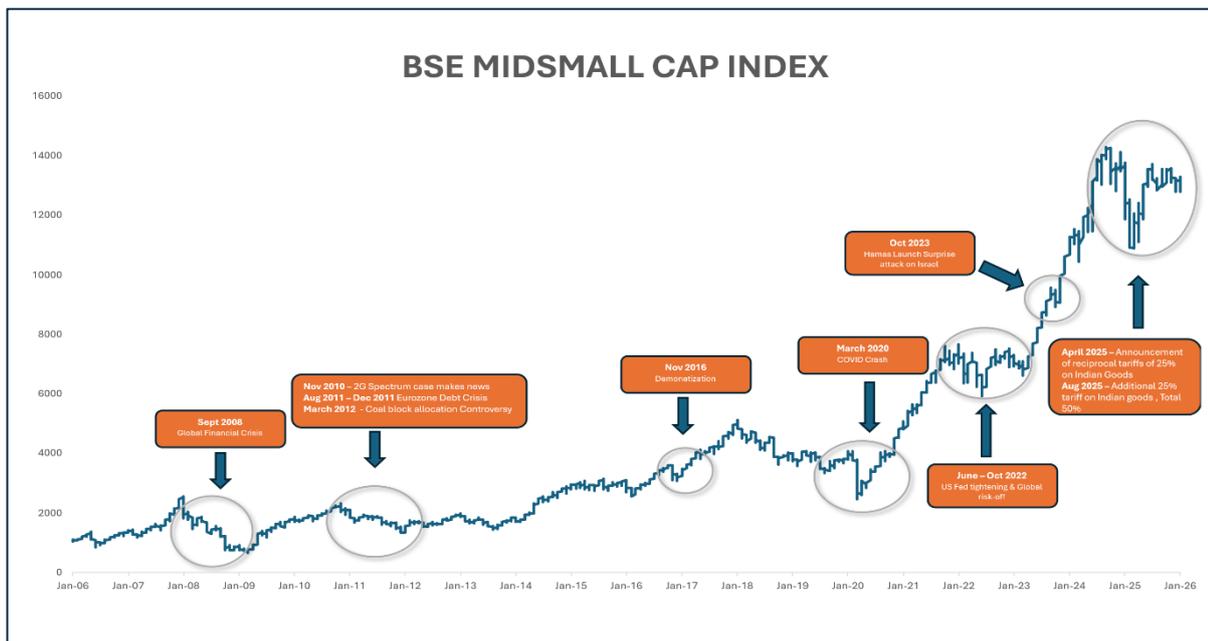
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Disclaimer: Returns are calculated based on Time weighted rate of return and are after expenses. Returns more than 1 year are annualized. Individual client performances may differ based on entry and exit in the portfolio. Past performance should not be construed as a guarantee of future performance. Equity investments are subject to market risks. The performance related information is not verified by SEBI. Report Performance data net of all fees and all expenses (including Taxes).



Historical negative events and indices in charts

As we can see from the chart below the midsmall cap index has been volatile and experienced sharp drawdowns in negative events (which cannot be timed), but the subsequent rallies in ensuing years have been sharper than earlier rallies and after all major negative event indices have made new highs.



We have seen various negative events since 2000. All these events were different from each other and had varied complexities. These instances have seen equity markets correct with small midcaps witnessing greater fall. However, as stocks became attractive and these events passed, equity markets witnessed substantial gains in ensuing years and every time indices made a new high. We would like to offer a similar takeaway in the current scenario. Every negative event will look scary and complex at the same time and will offer similar uncertainty while we are in it. However rather than panicking out of the situation one can learn from past events and stay put. Every time some negative event happens, small caps will go down the most due to low liquidity (there may not be any problem in respective companies) and every negative event will look more dangerous than earlier one. Hence buying with conviction and staying put during the event becomes difficult.

Conclusion

We urge investors not to look at last 1-year returns as they can be misleading. We are passing through an uncertain and crisis situation and hence abnormal in nature. Markets do correct in such period with small midcaps performing even worse. *Legendary investor John Bogle has said "If you have trouble imagining a 20% loss in the stock market, you shouldn't be in stocks." A 3 year view at least is necessary for judging the performance.* The objective of our fund is to compound at reasonable rate of return for long periods like 5-10 years rather than 1-2 year perspective. In the long term any negative issues even out (like tariff issue currently, these may not be permanent) and markets dance to the tune of earnings growth, longevity of earnings, balance sheet strength and strength of the management.

"There are decades where nothing happens; and there are weeks where decades happen"
--Vladimir Ilyich Lenin. J Hepatol.