

About the strategy

Buoyant Capital's strategy focuses on generating superior risk-adjusted returns across market cycles by combining top-down and bottom-up investment approaches. The portfolio is dynamically adjusted between core investments (companies with stable cash flows) and satellite investments (cyclical and turnaround opportunities) to balance growth and capital preservation. The team-based approach, rather than relying on a single manager, helps mitigate risk and ensures consistent decision-making.

Key highlights for the month

During August 2024, the Buoyant Opportunities strategy adjusted its sector allocations by increasing weights in the FMCG, Building Materials, and NBFC sectors, while reducing exposure to the Banking, Telecom, and Industrials sectors.

The cash allocation is currently at 11.7%, reflecting an increase of approximately 3 percentage points from the previous month. Despite a reduction in Banking sector exposure over the past three months, it remains the largest exposure within the Buoyant Opportunities strategy due to our confidence in sustained earnings resilience and favourable valuations.

Currently, Large Caps (including cash) constitute 49% of our total exposure, whereas exposure to Core sectors stands at 56%.

Insights for the month - PMS

| Top sector allocation | (%) | Core vs. Satellite | (%) |
|-----------------------|-----|--------------------|-----|
| Banking | 21% | Core (incl. cash) | 57% |
| Insurance | 9% | Satellite | 43% |
| NBFC | 8% | Cyclicals | 17% |
| FMCG | 7% | Turnaround | 10% |
| Materials | 6% | Value | 16% |

Allocations and key ratios

| Market cap allocation | (%) | Key ratios | 1-yr | 2-yr | 3-yr |
|-----------------------|-----|------------------------|-------|------|------|
| Large Cap and cash | 49% | Sharpe ratio (X) | 2.6 | 2.5 | 1.3 |
| Mid Cap | 20% | Information ratio (X) | (0.7) | 0.9 | 0.5 |
| Small Cap | 32% | Standard deviation (%) | 9.8 | 11.1 | 14.3 |
| | | Beta (X) | 0.9 | 0.9 | 0.9 |
| | | Sortino (X) | 10.0 | 7.8 | 2.5 |

Sector changes during the month

1m - added weights

NBFC
FMCG
Building Materials

1m - reduced weights

Banking
Telecom
Industrials

3m - added weights

NBFC
FMCG
Materials

3m - reduced weights

Banking
Automobile
HealthCare

Stock changes during the month

| | |
|---|--|
| Entry | Exits |
| One 97 Communications Ltd | Bharti Airtel Limited |
| Raised weights | Reduced weights |
| Hindustan Unilever Ltd. Ramkrishna Forgings Limited India Cements Ltd | R R Kabel Ltd Hdfc Bank Limited Icici Bank Limited |

Performance consistency

| % | 1-yr rolling returns | | 3-yr rolling returns | | 5-yr rolling returns | | 7-yr rolling returns | |
|---|----------------------|-------------|----------------------|-------------|----------------------|-------------|----------------------|-------------|
| | Buoyant portfolio | BSE 500 TRI | Buoyant portfolio | BSE 500 TRI | Buoyant portfolio | BSE 500 TRI | Buoyant portfolio | BSE 500 TRI |
| Count (#) | 2,620 | | 1,890 | | 1,159 | | 429 | |
| Average returns | 28.0 | 17.4 | 20.5 | 15.1 | 19.9 | 15.0 | 22.1 | 15.4 |
| Median | 22.3 | 13.1 | 22.3 | 16.5 | 21.1 | 15.0 | 21.9 | 15.7 |
| Maximum | 133.4 | 102.1 | 52.7 | 33.9 | 29.5 | 22.8 | 25.6 | 17.6 |
| Minimum | -42.7 | -33.3 | -7.9 | -6.3 | 10.1 | 10.2 | 20.0 | 13.5 |
| Outperformance against benchmark (% no of obs) | 59% | | 75% | | 94% | | 100% | |

Relative performance

| 17-Sep-24 | 1 month | 6 months | 1 year | 2 years | 3 years | 4 years | 5 years | Since Inception |
|--------------------------|---------|----------|--------|---------|---------|---------|---------|-----------------|
| TWRR (%) | | | | | | | | |
| Buoyant Portfolio | 1.7% | 21.4% | 32.1% | 35.5% | 23.5% | 40.7% | 30.0% | 23.9% |
| BSE-500 TR Index | 1.0% | 18.9% | 39.5% | 28.6% | 18.2% | 28.2% | 22.3% | 17.8% |
| Absolute (%) | | | | | | | | |
| Buoyant Portfolio | | | | 82% | 87% | 287% | 268% | 493% |
| BSE-500 TR Index | | | | 64% | 64% | 168% | 172% | 291% |

The performance related information provided herein is not verified with SEBI.

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