

## INVESTOR MEMO : Feb 2025

### *Stormy weather = opportunity!*

In four months, **NIFTY FIFTY** is down 12.5% from recent tops. **NIFTY MidCap150** has cracked 15% and **NIFTY SmallCap250** is down over 19%. Is the bull market over? We see stormy weather ahead.

Consider the evidence:



Budget 2025 was a non-event, barring the income tax rate relief.



Sadly, Govt capex growth is no more driving policy evolution (it is down to ~5% in FY25, less than the nominal growth in the economy).



For corporates, earnings growth is challenged, with a fat base and slowing global + domestic macros.

## CAPITAL INVESTMENT ADVISORS

(a division of Buoyant Capital Pvt Ltd)

*It's surely a rough ocean out there.*

*Just the right opportunity for the able sailor...*

- ✔ India's small and mid-cap space is volatile, and looks grossly overvalued in large parts.
- ✔ Our view is that an overdue alignment of stock prices with earnings growth is likely to limit prospects for investors in this space.

- ✔ FPI selling continues, mostly in response to dollar strengthening.
- ✔ Trade wars loom as Trumponomics takes off.
- ✔ The Euro-zone looks moribund.
- ✔ In Ukraine, war rages on.
- ✔ With a weak rupee, the scope for RBI to cut rates is limited in the near term.

## CAPITAL INVESTMENT ADVISORS

(a division of Buoyant Capital Pvt Ltd)

*It's surely a rough ocean out there.*

*Just the right opportunity for the able sailor...*

- ✔ India's small and mid-cap space is volatile, and looks grossly overvalued in large parts.
- ✔ Our view is that an overdue alignment of stock prices with earnings growth is likely to limit prospects for investors in this space.

- ✔ FPI selling continues, mostly in response to dollar strengthening.
- ✔ Trade wars loom as Trumponomics takes off.
- ✔ The Euro-zone looks moribund.
- ✔ In Ukraine, war rages on.
- ✔ With a weak rupee, the scope for RBI to cut rates is limited in the near term.

## *How to cross this rough ocean?*

### Financials

- ✔ Several pvt sector banks and some PSU banks are available at attractive valuations vs long term averages.
- ✔ They are well capitalised and look set for steady loan book and profit growth for the next few years.

### Select mid/small caps

- ✔ To be sure, not ALL small or mid cap stocks are in a bubble zone.
- ✔ This is a time where fund managers and advisors will have to dig deep and find those elusive (but lucrative) hidden gems in the small and mid-cap minefield.

## *How to cross this rough ocean?*

### Volatility

- ✔ This is a crucial part of the opportunity mix and is driven by investor psychology.
- ✔ In a challenging market scenario that is not overly bullish or bearish, there will be sporadic episodes of irrational panic selling, esp. in the vulnerable mid and small cap space.
- ✔ As rational investors, we must prepare for such episodes and be ready to invest in specific stocks that fall into value zone when this happens.



### *Recent updates & portfolio positioning*

1

The portfolio currently has a 44% allocation to large-cap stocks.

2

Financials constitute 39% of the overall portfolio weight.

3

Recent adjustments include a measured increase in cement allocation to 6% and the addition of Oil & Gas (downstream) at 5%, based on prevailing market conditions.

### *Recent actions & portfolio positioning*

4

Small and mid-cap positions are being closely reviewed as part of the portfolio evaluation process, with adjustments made in response to evolving market dynamics.

5

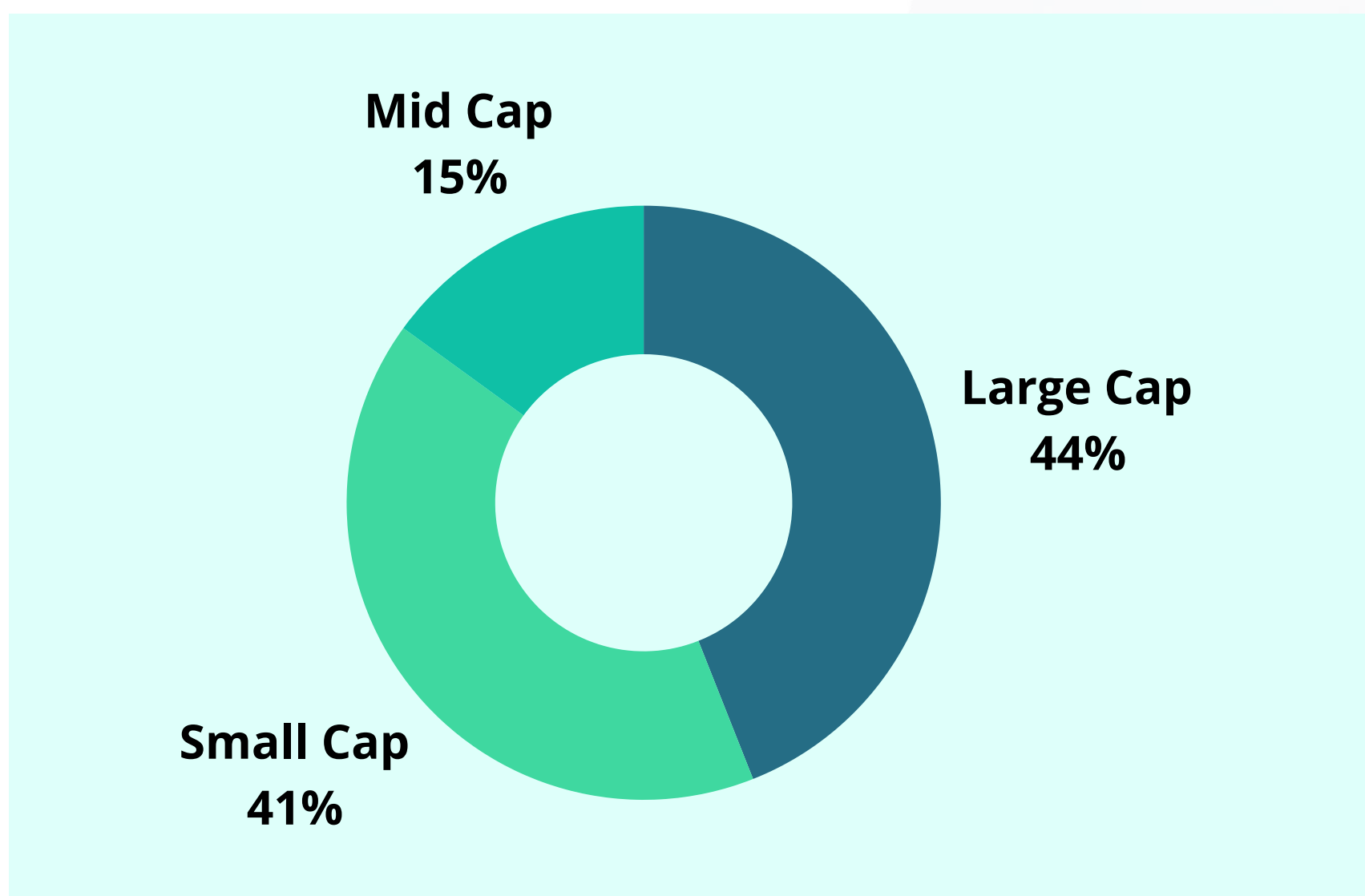
Portfolio changes, if any, will be undertaken in line with our disciplined investment approach.

## CAPITAL INVESTMENT ADVISORS

*(a division of Buoyant Capital Pvt Ltd)*

### OPPORTUNITIES PORTFOLIO

### MARKET-CAP ALLOCATION



*Source : Buoyant Capital IA  
Data as at end-Jan 2025*

### TOP 5 HOLDINGS\*

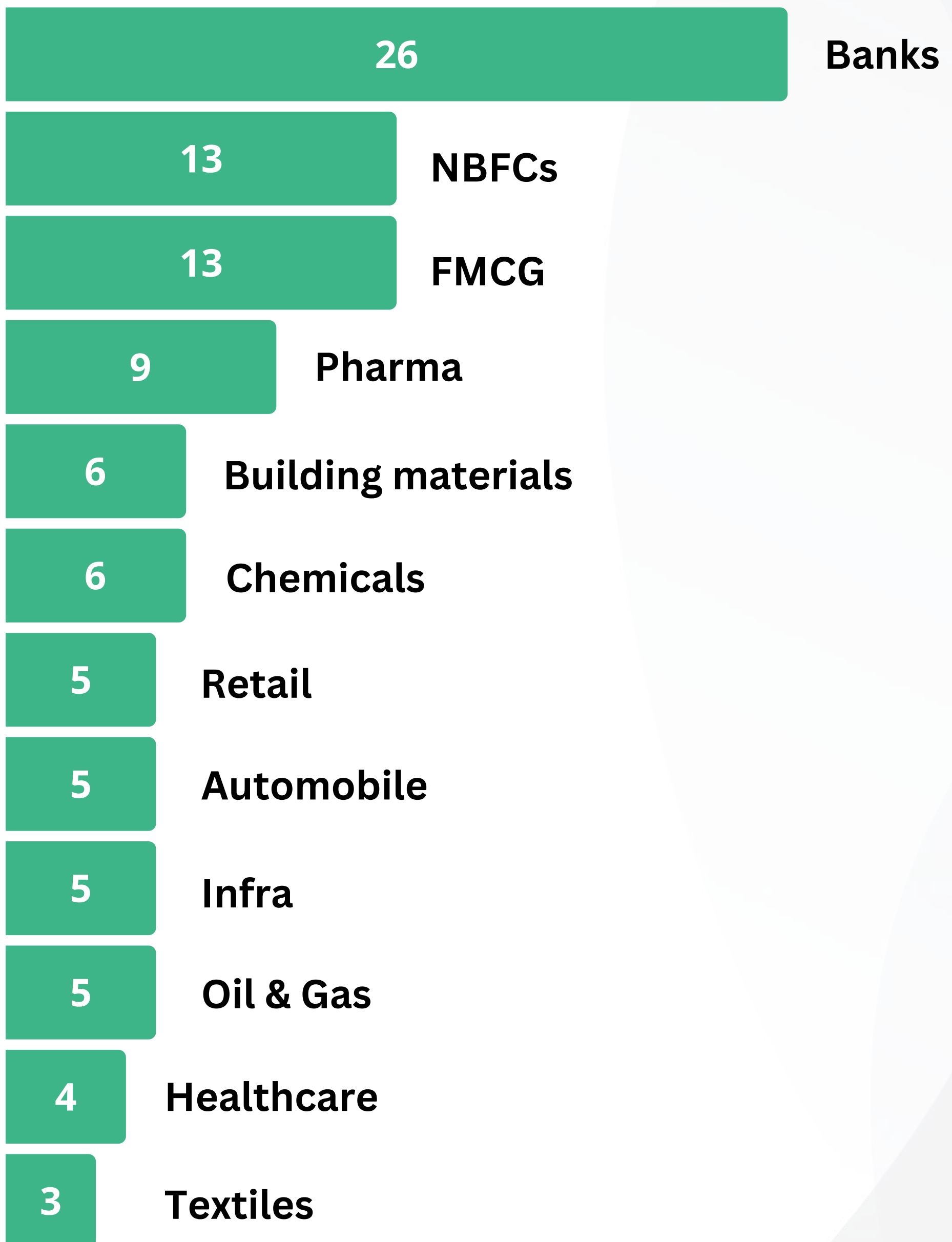
ITC	8%
HDFC Bank	7%
State Bank of India	7%
ICICI Bank	6%
Archean Chemical	6%

*Source : Buoyant Capital IA*

*\* Holdings may or may not be a part of all client portfolios. The securities quoted are for illustration only and are not recommended. Data as at end-Jan 2025*



# SECTOR ALLOCATION



Data as at end-Jan 2025

Source : Buoyant Capital IA

### OPPORTUNITIES PORTFOLIO

- ▶ A **cross-cycle, flexi-cap, moderately diversified** portfolio of listed stocks benchmarked with a broad market index.
- ▶ Model portfolio advisory service by **Buoyant Capital**, a SEBI-licensed Investment Advisor.
- ▶ Available via our **digital advisory platform**.



### PORTFOLIO STRATEGY

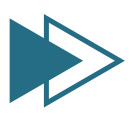
- ▶ Aggressive during good times / favourable cycle, defensive in tough times.
- ▶ **Cross cycle investing philosophy** to reduce volatility and manage risks in line with macro, market, market-cap and sector cycles.
- ▶ Flexible, bottom-up portfolio construction that is **industry and market cap agnostic**.
- ▶ No permanent bias towards market cap (large/mid/small), sector or theme.

## CAPITAL INVESTMENT ADVISORS

*(a division of Buoyant Capital Pvt Ltd)*



## DIGITAL, AFFORDABLE & CONVENIENT!



Investor, broker and advisor linked on a digital platform for trade execution with **minimal effort for the investor\***!



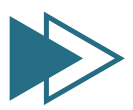
**100% digital sign-up**, risk profiling and onboarding via PAN & Aadhar OTP.



PMS/AIF-like portfolio strategy now available at min. Rs. 2 lacs ticket size with top ups in multiples of Rs. 50K.



## REBALANCING STRATEGY



In line with Advisor's research view on cycles, stocks and sectors.



Churn will also follow a flexible dynamic, with heavy churn when cycles change.



***\*Disclaimer : Right of Execution of Investments remains with the Investor only.***



## **CAPITAL INVESTMENT ADVISORS**

*(a division of Buoyant Capital Pvt Ltd)*

### **Risk Category**

Aggressive (high risk)

### **Advisor**

Dipen K Sheth

### **Benchmark**

NIFTY 500 TRI

### **Min. investment**

Rs. 2 lacs

### **Advisory fees**

2% p.a. of AUA + GST

### **Fees collection**

Every six months

### **Investment Style**

Cross cycle, Flexicap

### **Recommended Time Horizon**

3-5 Years

### **No of Stocks**

12-18

# OPPORTUNITIES PORTFOLIO

## USP

**A cross-cycle strategy that uses a combination of aggressive or defensive stance depending on the cycle at play.**

---

**Flexi-cap portfolio construction across small, mid and large caps to balance risk vs. reward at different points of time in the cycle.**



## CAPITAL INVESTMENT ADVISORS

*(a division of Buoyant Capital Pvt Ltd)*

### *Contact us*

For more information on our cross cycle investing framework, or to start an advisory relationship with **Buoyant Capital Investment Advisors,**

write to us at

**[advisory@buoyantcap.com](mailto:advisory@buoyantcap.com)**

or WhatsApp us at

**+91-81695-15927**

***Start your Digital Advisory Portfolio today!***



***[ria.buoyantcap.com](http://ria.buoyantcap.com)***





## **CAPITAL INVESTMENT ADVISORS**

*(a division of Buoyant Capital Pvt Ltd)*

### ***Disclosures & disclaimers***

**Name of Investment Adviser as registered with SEBI:** Buoyant Capital Private Limited.  
**Type of Registration:** Non-Individual. **SEBI Registration number:** INA000016995.  
**Validity of SEBI registration:** 13th June 2022 - Perpetual. **BSE IA Enlistment Number (BASL membership ID)-1844. CIN of the IA** U65990MH2014PTC253. **Registered office address:** 3501, B- Wing, Kohinoor Square, N C Kelkar Marg, R G Gadkari Chowk, Shivaji Park, Dadar West, Mumbai 400028. INDIA. **Phone:** +91-22-6931-9994. **Separately Identifiable division of IA/Trade name:** Buoyant Capital Investment Advisors (a division of Buoyant Capital Private Limited).

**Standard Warning:** Investments in securities markets are subject to market risks. Read all the related documents carefully before investing.

**Standard Disclaimer:** Registration granted by SEBI, enlistment as IA with Exchange and certification from National Institute of Securities Markets (NISM) in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

**BASL Advertisement Approval No:** 15907