



• **Monthly Update** •

**Objective:** To seek long-term capital appreciation with investing in stocks across the cap curves.

**Target Investors:** Designed for long-term investors seeking returns through investments in a mix of good structural companies and cyclical opportunities.

**Investment Horizon**  
Above 3 years

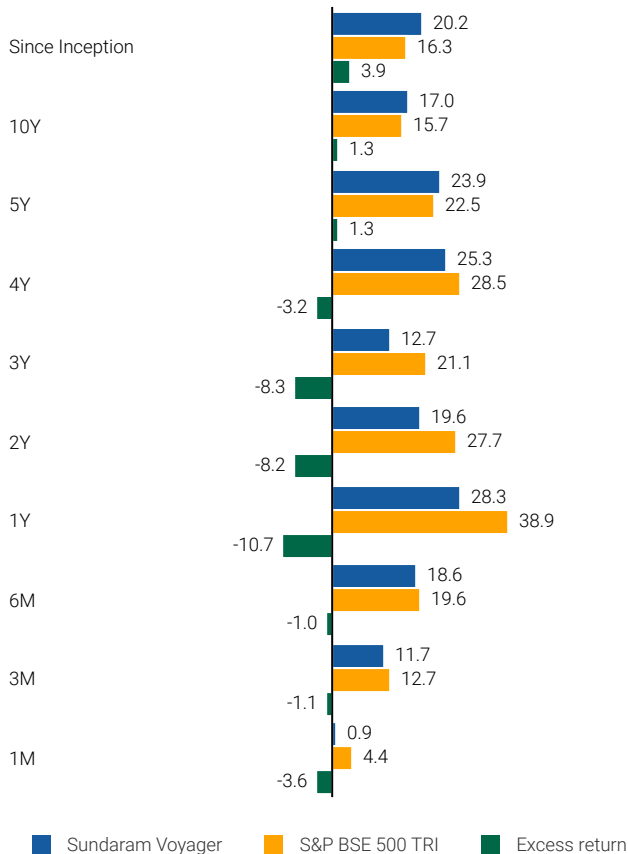
**Benchmark**  
S&P BSE 500 TRI

**Inception**  
October 2011

**Primary Fund Manager**  
Mr. Madanagopal Ramu

**Co-fund Manager**  
Mr. Prashant N Kutty

**Voyager vs S&P BSE 500 TRI (%)**

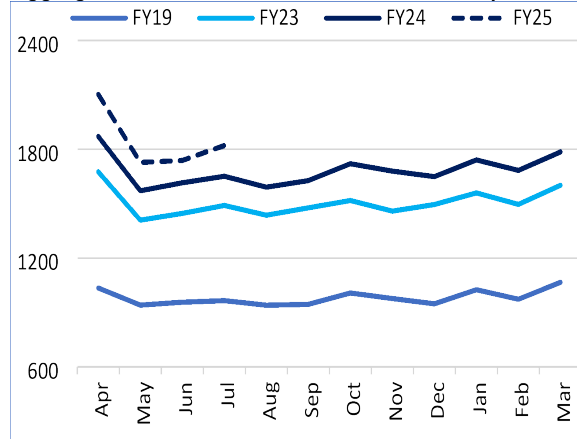


Equity markets, in dollar terms continued to deliver good returns in July. Japan topped equity market returns, while commodities (including crude) continued to remain weak.

US macro data witnessed incremental strength, but markets chose to focus more on dovish comments from Fed Chair Powell and other Fed members. These supportive comments hinted at Fed rate cuts as early as the Sep'24 policy. This was clubbed with disappointing commentary from top AI related companies and a failed assassination attempt of the former President Trump. All of these led to a sharp rotation out of Tech and into US cyclicals, leading to a significant Small cap outperformance in July.

The month also witnessed EU tariffs on China, indirect US tariffs on China through Mexico, soft China macro data and uneventful China 3<sup>rd</sup> Plenum meetings for the markets.

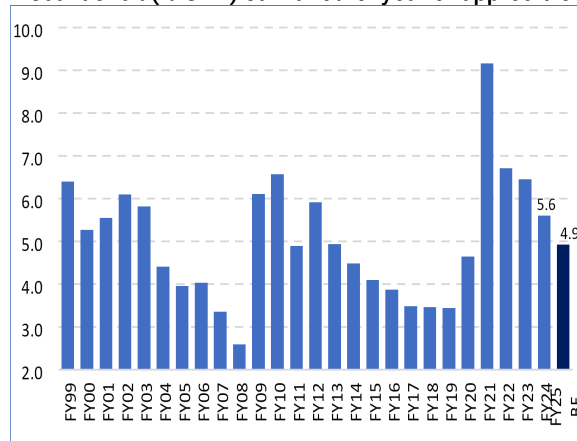
**Aggregate GST collections continue to hold up well in July (Rs.Bn.)**



Total GST collections for the centre and the state aggregated saw a growth of 10% y/y. GST collection growth remains broadly positive, with the 5Y CAGR from July FY20 just above 12%.

PMI numbers for the month of July inched down on the back of both manufacturing and services. However, note here that both the PMI numbers are at elevated levels, with services PMI (60.3) in a more expansionary phase than manufacturing (58.1). While services PMI recorded an appreciable increase in new orders on the back of new export orders, manufacturing saw strong demand. Broad macro indicators continue to remain resilient.

**Fiscal deficit (% GDP) saw another year of appreciable consolidation**



Peer performance is available under the following link of Association of Portfolio Managers in India (APMI): <https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu>

The final budget was presented by the government in July. These numbers need to be compared with the interim budget. Most of the budget numbers remain unchanged from what that of the interim budget. The excess RBI dividend has led to an increase in non-tax revenue growth. Clubbed with some positive rub-off assumed in income tax growth, the budget sees a large transfer to states in three buckets: an increase in its mandated (finance commission) transfer to states, in revenue spends and in capex spends. In addition to this, allocations are made to the ministries of labour & employment, consumer affairs, renewable energy, urban housing and farmer welfare, in that order of priority. This is alongside an aggressive effort to cut back on the fiscal deficit as well.

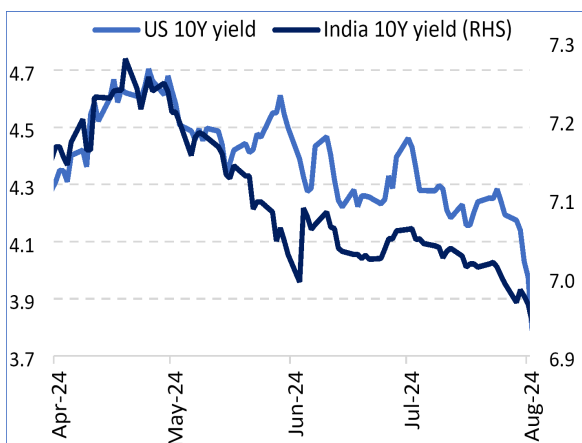
The key highlight of the budget in numbers are its continued trajectory of fiscal consolidation, its conservative assumptions and its strong capex focus. The budget saw a 20bps surprise in its fiscal deficit to 4.9% from its earlier estimate of 5.1%. This is 70bps lower than the FY24 fiscal deficit. And if one were to make a like-to-like comparison with the FY24 budgeted figure, it would be 100bps lower! The budget assumptions remain conservative and maintains a flat net tax/GDP ratio alongside a conservative nominal GDP growth. If one adds PSU capex, the total capex number from the budget sees an appreciable increase of 20bps from its interim projection to 4.3% GDP.

NIFTY delivered a 3.9% return in rupee terms for July. Small cap and Mid cap returns were seen well above large cap, and IT, Pharma and FMCG were the top three performing sectors during the month.

FII inflows continued to remain strong into both equities and debt. July saw \$6bn of net FII inflows, with \$3.4bn into equities and \$2.6bn into debt.

The Union budget was presented with its focus largely on employment linked incentives. While the absence of significant personal income cuts and the removal of LTCG for real estate were not appreciated by the markets, on the whole, the government continued to maintain its momentum on both fiscal consolidation and government capex.

### India 10Y moved well below the 7% level, on falling US yields



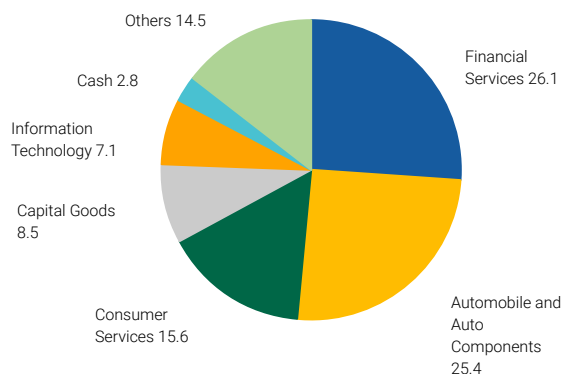
India 10Y yields have been secularly moving lower since end-Apr'24. This has largely been on the back a strong move lower in US yields as markets increasingly expect the Fed to start its rate cuts from the Sep'24 policy. Early August saw an increase in US unemployment which further led to markets repricing their Fed rate cut quantum to a 50bps from 25 earlier. Lower crude prices and favourable domestic liquidity have also greatly helped India 10Y yields move lower. With increasing Fed rate cut expectations, markets expect the RBI to follow suit. However, with strong underlying growth, the start to the RBI's rate cut cycle could take some time.

### Equity Market Outlook

Budget 2024-25 focused on fiscal consolidation while maintaining momentum on capex, setting priorities for further simplification of taxes and laying foundation for medium-term job creation through targeted schemes. From an equity perspective, absence of populism and focus on macro-economic stability augurs well for overall sovereign ratings and currency stability, both being key elements for investor confidence and capital flows over the medium-term. With the Budget priorities laid out, we expect broad markets to consolidate and focus shift back to earnings and sustenance of medium-term earnings catalysts. The last few years have witnessed appreciable equity returns across cap-curves as the economy has experienced continued expansion in its macro variables.

Over the medium-term, the twin cylinders of investment and consumption are expected to fire up growth through manufacturing and services. Our medium-term approach is to pursue a well-diversified portfolio strategy with focus on growth-oriented companies with adequate margin of safety, within the above themes of manufacturing, industrials, consumer, services, and technology.

## SECTOR ALLOCATION (%)

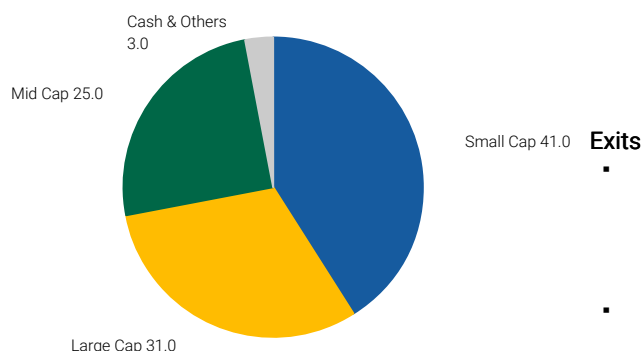


Note: Numbers may not add up due to rounding

## WEIGHTED AVERAGE MARKET CAP

₹ 1,00,146 Cr

## MARKET CAPITALIZATION (%)



Note: Numbers may not add up due to rounding

## PERFORMANCE MEASURES – SINCE INCEPTION

Instruments	Strategy	Benchmark
Arithmetic Mean	19.5	16.4
Standard Deviation	15.1	16.0
Beta	0.8	
Sharpe Ratio	0.8	0.6
Correlation	0.8	
Alpha	5.2	
Tracking Error	9.1	
Up capture Ratio	102.4	
Down capture Ratio	80.0	

## Performance Benchmarking

SEBI vide circular dated 16th December 2022 mentioned that Association of Portfolio Managers in India (APMI) shall prescribe a maximum of three benchmarks for each Strategy. Effective from 1st April 2023, the Portfolio Manager shall select one benchmark from those prescribed for that Strategy to enable the investor to evaluate relative performance of the Portfolio Managers. APMI vide communication dated 31st March 2023 prescribed the following benchmarks:

Strategy	Benchmark 1	Benchmark 2	Benchmark 3
Equity	Nifty 50	S&P BSE 500	MSEI SX 40

Among the options given, we had selected S&P BSE 500 which is a broad-based benchmark to our PMS strategies.

## PORTFOLIO & STOCK PERFORMANCE

The portfolio underperformed the benchmark by 4%. Top contributors to the portfolio are ICICI Prudential life Insurance & IndiaMart Int. ICICI Prudential Life Insurance was up 22%, has reported strong monthly premium collections led by improvement in the direct and agency business. With banks likely to face margin pressure and NBFC also seeing some credit cost concerns, we believe Insurance companies are likely to do well in coming months. IndaiMart Int. was in green during the month on expectation of very good results season, however stock saw some correction post results and muted guidance by management on growth and collections. Major portfolio draggers were Uno Minda & Senco Gold. Senco Gold had a muted Q1 update impacted by general elections & heat wave. It's a one-off quarter and story on store expansion and shift toward organized jewelry remains intact. UNO Minda was down 5%, stock has rallied sharply in the last 3 months, we continue to retain our bullish stance on the stock on the back of strong upgrades in few segments like switches, lighting and electronics, along with option value of EV upgrades too.

### Positions initiated:

- **BSE Ltd-** With new restrictions in place i.e. weekly expiry per exchange, BSE is well placed to gain premium market share in F&O volumes from current 11% to 20% and above in the medium term. With slab-based pricing going away and NSE's need to raise price to manage volume decline will provide room for BSE to increase prices while gaining volumes and market share.

### Exits

- **TITAN INDUSTRIES:** The Q1 growth of the company was muted due to sharp spike in the gold prices. Also, due to intense competitive landscape, the near-term margin guidance by the company has been lowered which may lead to earnings pressure for few quarters, hence we exit, though positive on the long-term story
- **CUMMINS INDIA LTD:** Valuations have run up on back of pre-buying due to new pollution guidelines which is not sustainable post Q1. Given high valuation, reposition in other stocks.

## KEY FEATURES

- Diversified target portfolio with 15-25 stocks
- Flexible cap curve allocation
- Two Buckets of Stocks
  - Structural Stories
  - Cyclical & turnaround opportunities
- 4x4 Wealth Multiplier Themes
  - Financial inclusiveness
  - Consumption Czars
  - Phygital Bluechips
  - Manufacturing Maestros

This material should not be construed as solicitation for investing in countries where restrictions exist on soliciting business from potential clients residing in such countries

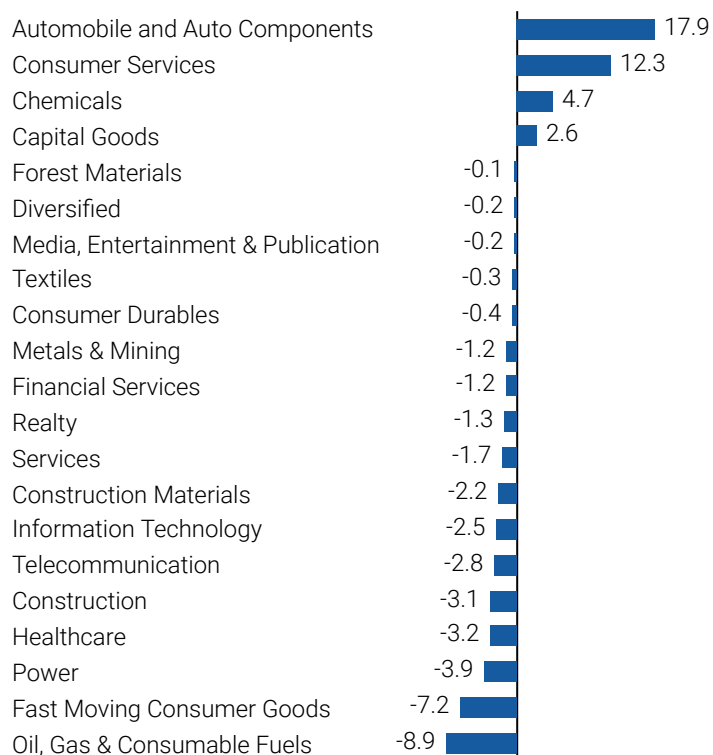
## TOP HOLDINGS

CHOLAMANDALAM INVESTMENT & FINANCE CO. LTD.
ZOMATO LIMITED
BAJAJ FINANCE LTD
MAHINDRA & MAHINDRA LTD
SAPPHIRE FOODS INDIA LIMITED

## KEY CONTRIBUTORS

Symbol Name	Unit Cost (INR)	Unit Price (INR)	Gain/Loss (%)
ZOMATO LIMITED	70	229	228
MAHINDRA & MAHINDRA LTD	1,420	2,908	105
GE T&D INDIA LIMITED	920	1,585	72

## SECTOR BETS (%) – UNDERWEIGHT / OVERWEIGHT VS BENCHMARK

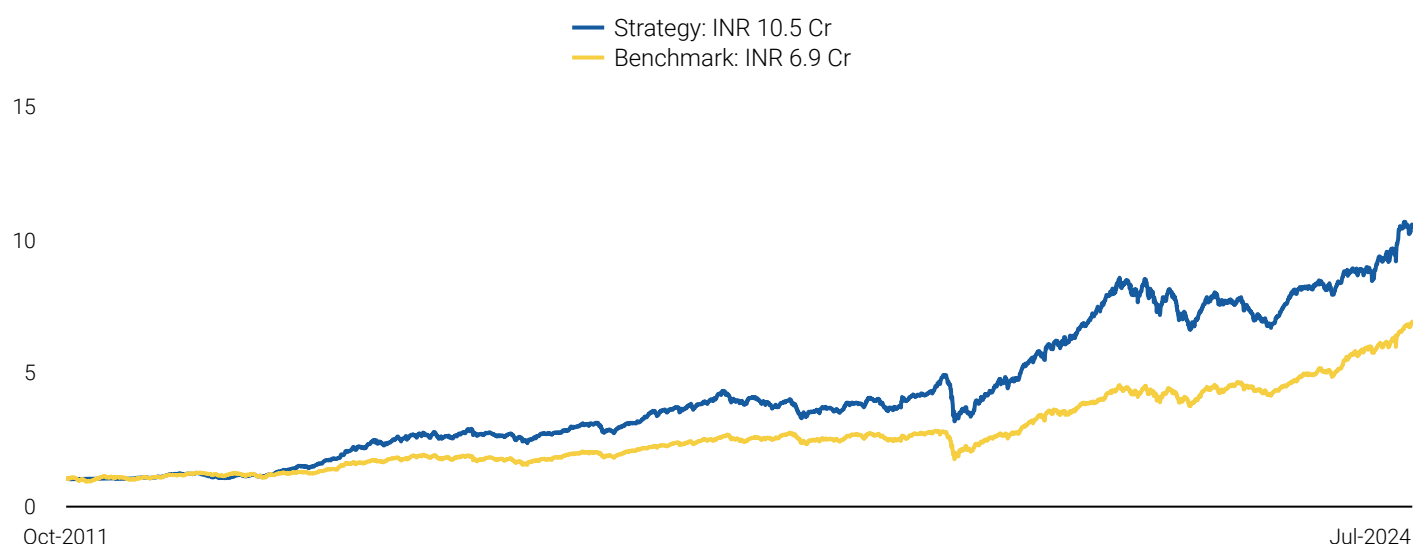


## CALENDAR YEAR PERFORMANCE (%)

	Strategy	Benchmark	Excess return
2011	0.2	-9.4	9.6
2012	20.0	33.4	-13.4
2013	23.4	4.9	18.5
2014	72.8	38.9	33.9
2015	5.3	0.4	4.9
2016	4.4	5.2	-0.8
2017	49.2	37.6	11.6
2018	-12.1	-1.8	-10.3
2019	15.3	9.0	6.3
2020	32.6	18.4	14.2
2021	42.2	31.6	10.6
2022	-7.0	4.8	-11.8
2023	17.6	26.5	-8.9
2024 YTD	19.5	21.9	-2.4

Source: Inhouse computation Calendar Year Performance since October 2011

## VALUE OF ₹ 1 CRORE INVESTED AT LAUNCH



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- Strong Track Record
- Low Churn
- Time Tested Stock Selection Process
- Reach Across Country
- Transparency
- Strict Adherence to Risk Guidelines
- Shared Research Capabilities

- **Quality Business**  
Scalable, Growing, Reinvestment opportunities, Strong Moat
- **Quality Financials**  
High ROIC, Excellent Cash Flows, Low DE
- **Quality Management**  
Visionary, Problem solving

## CUSTOMER SERVICES

**Reporting Statements and Servicing:** Monthly performance Statements Transactions, Holding & Corporate action reports, Annual CA certified Statement of the account & Online access



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