
THE WEALTHY TIMES

**ONLY AN INFORMED DECISION CAN MAKE YOU WEALTH.
STAY HUNGRY. STAY WEALTHY.**



**DISCOVERING
HIDDEN GEMS**

**IGNITING
WEALTH**

Greetings!!

I would like to address the dynamic and ever-evolving nature of the Indian capital markets and economy, particularly focusing on the correlation of mutual fund assets under management (AUM) since the beginning of the new millennium. It is crucial for us to understand the journey so far, the role of reforms by the government and the Securities and Exchange Board of India (SEBI), and chart a course for wealth creators and wealth managers in the next two decades.

The growth of the Indian capital markets and the economy over the years has been nothing short of phenomenal. From a market capitalization of USD 125 billion at the start of the millennium, we have witnessed an exponential rise to USD 3.4 trillion in 2023. This growth is a testament to the potential and attractiveness of our economy for both domestic and international investors.

Key to this growth has been government-led reforms that have transformed the business landscape in India. Through various initiatives, such as the introduction of the goods and services tax (GST), liberalization of foreign direct investment (FDI) policies, and the implementation of the Insolvency and Bankruptcy Code, the government has fostered an environment conducive to investment and economic growth. These reforms have not only attracted capital but have also provided a solid foundation for the development of the capital markets.

SEBI, as the regulatory authority, has played a crucial role in ensuring the smooth functioning of our markets. The proactive approach of SEBI in introducing regulatory reforms, enhancing investor protection measures, and promoting transparency has been instrumental in building trust and confidence among investors. The introduction of stringent corporate governance norms, regular monitoring of market activities, and measures to curb malpractices have strengthened the integrity of our markets.

Looking ahead, the next two decades present both opportunities and challenges for wealth creators and wealth managers. As the economy continues to evolve, we must stay ahead of the curve by embracing innovation and leveraging technological advancements. The digital revolution, coupled with changing consumer preferences and behaviour's, will shape the future of wealth management. It is imperative that we adapt our strategies to cater to the needs and expectations of the next generation of investors.

To navigate the dynamic landscape, we must prioritize continuous learning and development. Investing in our people, fostering a culture of innovation, and encouraging collaboration will be crucial in staying at the forefront of the industry. We must also keep a close eye on regulatory developments and market trends, ensuring compliance and seizing opportunities that arise from changing dynamics.


In conclusion, the Indian capital markets and economy have come a long way, thanks to the collective efforts of the government, regulatory authorities, and market participants like ourselves. As we look to the future, we must remain adaptable and forward-thinking, embracing innovation, sustainability, and a client-centric approach. By doing so, we can continue to create wealth, deliver value, and contribute to the growth story of India.

Together, let us seize the opportunities that lie ahead and build a prosperous future.



Harbir Singh
CEO and Co-Founder
PMSTimes.in


Market At A Glance

DOMESTIC MARKETS  INDIA		
INDICES	1 MoM (May 23)	1 YoY (1 Year)
SENSEX	3.67%	22.32%
NIFTY	3.79%	21.82%
NIFTY BANK	2.19%	33.42%
NIFTY MIDCAP 100	5.74%	34.48%
NIFTY SMALLCAP 100	5.52%	27.83%

COMMODITIES		
COMMODITIES	1 MoM (May 23)	1 YoY (1 Year)
GOLD \$	-3.53%	6.88%
SILVER \$	-5.39%	15.40%
CRUDE WTI \$	-1.25%	-34.67%
BRENT CRUDE \$	1.94%	-32.17%



CURRENCY	1 MoM (May 23)	1 YoY (1 Year)
₹ INR VS USD	-0.25%	3.97%

GLOBAL MARKETS 		
MARKETS	1 MoM (May 23)	1 YoY (1 Year)
DOW JONES	4.06%	10.64%
NASDAQ	5.31%	23.98%
S&P 500	5.49%	16.41%
FTSE	0.55%	5.06%
SHANGHAI	-0.08%	-5.48%
NIKKEI	6.55%	27.97%
HANG SENG	3.84%	-13.35%

FII DII ACTIVITY (MAY 2023)			EQUITY
FII (Rs Crore)	43,310.80		
DII (Rs Crore)	9,833.70		
NET (Rs Crore)	33,477.10		

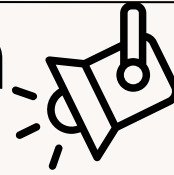
FII DII ACTIVITY (MAY 2023)			DEBT
FII (Rs Crore)	9,282.80		
DII (Rs Crore)	16,768.00		
NET (Rs Crore)	-7,485.20		

BOND	YTM
10 Yr GSEC 2033	7.02%

Source www.investing.com



Fund House in SPOTLIGHT



CAPGROW CAPITAL

Special Situation
Strategy



Established in 2018, CapGrow is committed to empowering clients with long-term wealth generation through its Special Situation (SS) Investment strategy. The company's foremost objective is to deliver value-added services that align with clients' long-term wealth-creation goals. Leveraging its comprehensive research capabilities, CapGrow offers Portfolio Management Services that strive to generate sustainable, enduring returns.

Backed by over 30 years of experience in capital markets, the company's Chief Investment Officer (CIO) adopts a focused approach, concentrating investments in well-managed, high-quality businesses procured at significant discounts to their intrinsic values. CapGrow's unwavering commitment to creating value and ensuring client success drives its investment philosophy.

"Skin and Soul: Investing Our Own Stake, Walking Hand-in-Hand with Your Interests"

CapGrow Capital's core principle revolves around caring for its clients and meeting their financial needs. They embrace the philosophy that their own success is intertwined with helping clients achieve their goals. In pursuit of this, they prioritize long-term value rather than short-term gains and are vigilant in managing potential conflicts of interest.

Their commitment to transparency and openness ensures that they communicate clearly, highlighting any actions they deem imprudent or unethical. CapGrow Capital remains dedicated to fostering trust and delivering responsible financial solutions.

**Integrity, Transparency, and a commitment to Honesty are
the cornerstones of CapGrow Capital's mantra.**

SPECIAL SITUATION STRATEGY

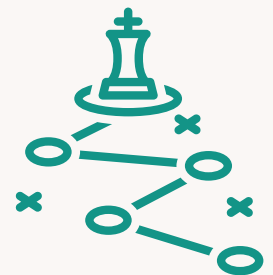
STRUCTURAL EVENT - DRIVEN INVESTING

SS investment approach involves a specific structural, non-operational event that affects the value of the firm or its securities. The term is used as an umbrella for numerous corporate restructuring, transactional or financial engineering efforts.

Events: Mergers, Demergers, spin offs, Buy backs, De-listings, broken IPOs, restructurings, distressed securities

A lucrative, predictable and yet low risk investment approach

- ◆ Offers returns regardless of how the indices outperform in the medium to long-term
- ◆ The profit potential is from the Corporate event, which creates value for the shareholders, and not the business operations.
- ◆ SS/Alternative investment are big chunk of the whole asset management industry roughly 28% (~ 20.0 trillion dollars) in developed markets like U.S
- ◆ Expects a well-known event to unfold rather than dependent upon the company to beat earning expectations. Hence, SS approach delivers calculable profits in a definitive time rather than just hope.



UNRAVELING THE NEXUS

THE FILTRATION TECHNIQUE

- Announcement of the "EVENT" creates a subset of Opportunities
- Narrow down the initial list of opportunities based on specific criteria & filters
- Conduct in-depth due diligence on specific events or circumstances driving the special situation
- Assess the probability of the event occurring & its potential outcomes
- Investment roadmap including the milestones, risk tolerance and time horizon
- Identify the underlying drivers & the potential impact on the company's financials, operations, market position and shareholder value
- Monitor & manage the investment

MEASURING SUSTAINABILITY & RESILIENCE

VISIBILITY OF THE BUSINESS OVER THE NEXT FEW YEARS, MARKET POSITION, LIFE CYCLE OF ITS PRODUCTS AND FIRST MOVER ADVANTAGE ETC.

MANAGEMENT INTEGRITY, CORPORATE GOVERNANCE & THE INSTITUTIONAL FRAMEWORK OF THE COMPANY

ECONOMIC MOAT - THE COMPETITIVE EDGE THAT EXPLAINS ITS SUPERIORITY OVER ITS PEERS

ECONOMIC EFFICIENCY INNOVATION AND PRODUCTIVITY OF THE BUSINESS, READINESS TO CHANGE AND SCALE UP THE BUSINESS

STRUCTURAL PLAYS ARE ALWAYS PREFERABLE AND NOT CYCLICAL

KEY ATTRIBUTES

Special Situation is a one-time event that impacts the stock price

High Conviction actionable ideas – event-driven investments and always supported by original and detailed research

Churn of promoters, or change in the capital structure of the firm that have a bearing on the business and these changes get reflected in a improved balance sheet or a better earnings profile

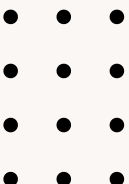
Regulatory approvals and timelines is the key risk

SS opportunities constantly spring up across different sectors offering exposure to a multitude of industries, businesses and corporate events to profit from

Lifecycle - In few cases, 12-15 months after the event gets fructified

Portfolio consists of stocks that have less overlap with other PMS's & MF's portfolios and hence provide a diversification to the client's equity portfolio

An advantage of this strategy is low correlation to market movement, mitigation of systematic risk as the returns depend on the specific event while then unsystematic risk is reduced through diversification

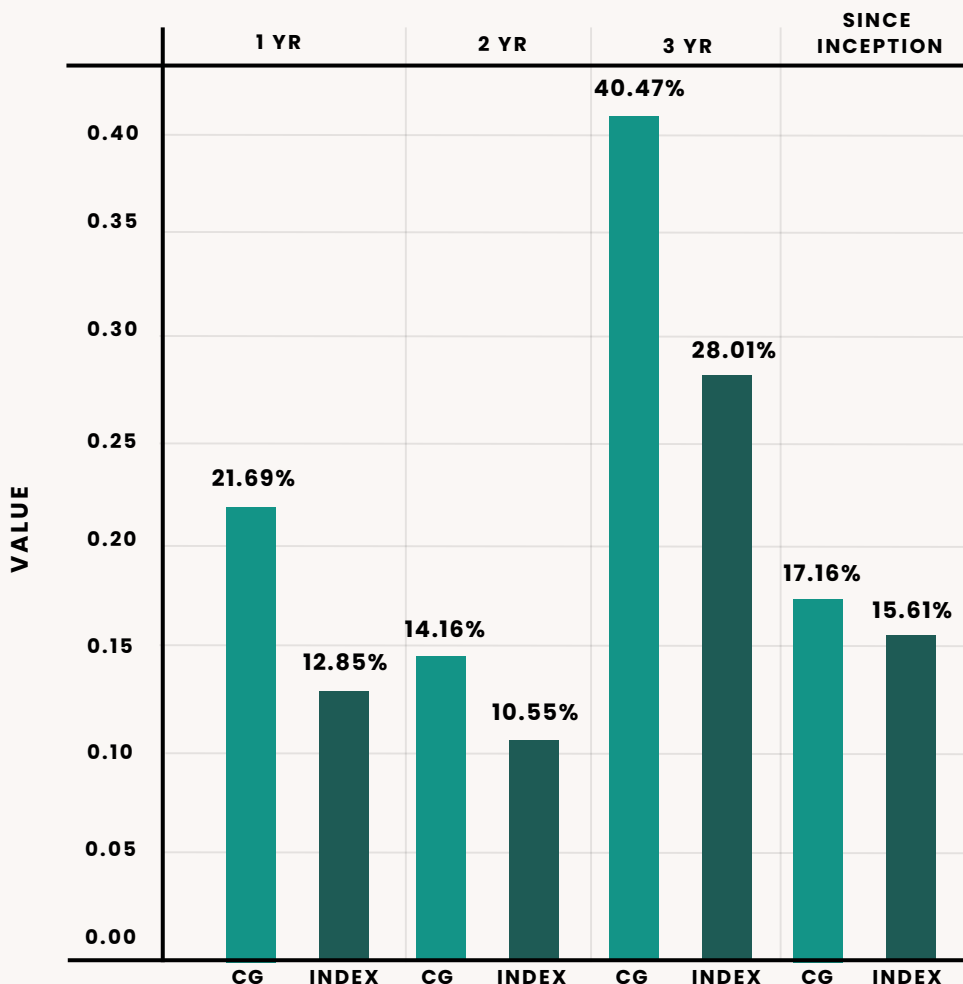


STRATEGIC YIELDS

RETURNS - SPECIAL SITUATION STRATEGY (AS OF MAY 23)

Total Returns*	CapGrow SS Portfolio	S&P BSE 500 (TRI)
Since Inception	17.16%	15.61%
3 Yr	40.47%	28.01%
2 Yr	14.46%	10.55%
1 Yr	21.69%	12.85%
6 Months	3.62%	-0.83%
3 Months	10.75%	8.92%
1 Month	8.51%	3.78%

Risk Metrics	Values
Standard Deviation (%)	21.41%
Sharpe Ratio	0.40
Beta	0.85
Treynor	0.01



THE BRAINS

BEHIND THE PORTFOLIO



**ARUN
MALHOTRA**

Founder & CIO
CapGrow Capital

A veteran in the capital markets with **30+** years of experience in managing funds across the globe.

His last tenure was running a U.S based hedge fund with assets of \$300mn and has a deep knowledge of Indian equities having invested in a personal and professional capacity since 1996.



Investment Philosophy

SKIN & SOUL
IN THE GAME

WELL DOCUMENTED
INVESTMENT STRATEGIES
& RESEARCH PROCESSES

TAKE SMALL STEPS FOR A
SUCCESSFUL AND
SUSTAINABLE LONG TERM
JOURNEY OF WEALTH
CREATION

GAIN THROUGH
SPECIAL SITUATIONS

MANTRA!
AVOID THE NOISE IN THE
MARKETS, AND FOCUS
ON THE FUNDAMENTALS

WE INVEST WITH A LOT
OF CONVICTION,
INDEPENDENT THINKING
AND PATIENCE

Fund Manager

* VIEWPOINT *



Indian Equity Markets reach record highs, unveiling numerous Special Situation opportunities with favourable risk-reward potential that persist strongly.

Indian Equity Markets soared to new highs in June 2023, driven by increased interest from overseas investors and institutional investments totalling over Rs 83,000 crore. While the US Federal Reserve plans for additional rate hikes, India has pursued its own differential rate cycle. Additionally, lower oil prices have significantly reduced India's annual oil import bill by \$68 billion.

The outperformance of Indian equities can be attributed to several factors. Firstly, India's resilient growth has positioned it as one of the fastest-growing economies globally. Secondly, with no recession expected in 2023 and a strong focus on digitalization, India maintains a robust economic outlook. Moreover, cooling inflation and steady corporate earnings growth have further supported the rise in Indian equities. Conversely, China's economic rebound has acted as a dampener.

The Indian economy stands on a solid foundation, poised to gather further momentum in H2FY2024. It has demonstrated resilience amid economic challenges, including the impact of the COVID-19 pandemic. Corporate balance sheets in India are in a strong position, reflecting their ability to navigate through turbulent times. Additionally, strategic investments by the government in infrastructure are set to catalyse positive spill over effects across various pivotal sectors of the economy

Investors should consider deploying cash during periods of uncertainty, targeting quality companies with high growth potential. Opportunities lie in sectors such as Alternative Energy, Capital Goods, New Age Digital companies, Electric Vehicles, Auto Components, and leaders in Pharma and IT.

In the realm of investment, diversifying portfolios is an essential element for success. A Special Situation Strategy offers a compelling approach to diversifying equity portfolios while potentially outperforming traditional strategies. While conventional growth strategies historically generate a CAGR of 13-15%, an event-driven Special Situation strategy has the potential to deliver even higher returns over the long run. By incorporating this strategy into your investment approach, you can enhance your portfolio's performance and capitalize on unique market opportunities.



**ARUN
MALHOTRA**

**Founder & CIO
CapGrow Capital**

PMStimes
CONS  **NANCE**
Symphony of Ideas

Orchestrating
Wealth

PMS & AIFs

Welcome to Consonance, where the symphony of investment ideas comes to life in the realm of Portfolio Management Services (PMS) and Alternative Investment Funds (AIFs). We are thrilled to present our 2nd event that brings together the brightest minds and top portfolio managers in the investment industry.

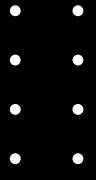
At Consonance, we believe that the power of collaboration and innovation can reshape the investment landscape. Our event serves as a platform for industry leaders, seasoned practitioners, and forward-thinking individuals to converge, exchange ideas, and explore the limitless opportunities that PMS and AIFs investments offer.

in Synergy with



PMStimes CONSONANCE

Symphony of Ideas



Explore the
Opportunities of
PMS & AIF



21st
June
Chandigarh

PMS Consonance | Symphony of Ideas was an eye opening event conducted by PMStimes in synergy with Simplifysors on June 21st, 2023 which revolved around meeting and engaging with some of the finest brains & market veterans of the Indian Portfolio Management universe.



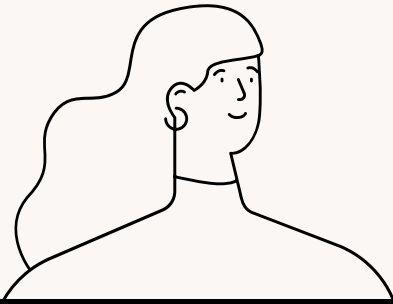
Some much needed insights from market & industry experts on some highly relevant & crucial topics:

- INDIA - On the brink of a Golden Decade
- Why go Global? - Why look outwards when India is shining?
- Voice in all that Noise - The subtle art of filtering out the unwanted while investing
- Fixed Income Fixation - The (un)SaFe Fixed Income Trap

Together, we embarked on a captivating voyage of knowledge, collaboration, and inspiration, forging lasting connections to help us better understand the scope of PMS and AIF and the many opportunities that stand to shape the future.

We extend our heartfelt appreciation to the exceptional speakers who illuminated the stage with their expertise, passion, and innovative ideas.



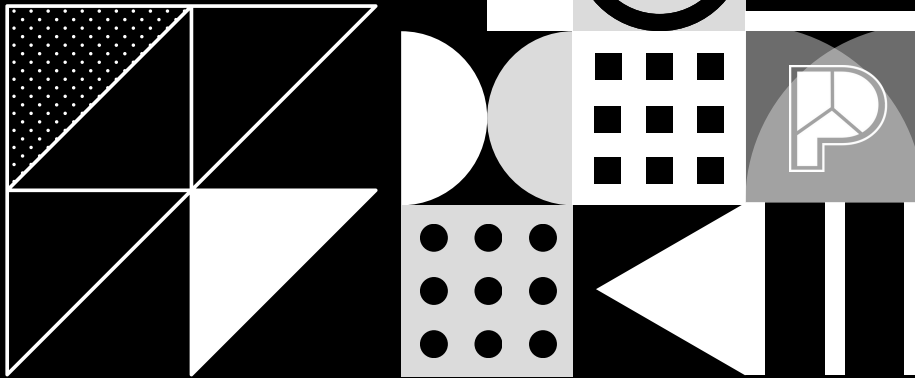


**Only an Informed & Well-Researched
Decision will make Wealth.
Everything Else is a Fluke.**

All PMS PERFORMANCES JUNE 23

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