Volume 1 | Issue June MMXXIII

HNI & UHNI Exculsive Edition

THE WEALTHY TIMES

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

PMS times

THE WEALTHY TIMES

The ACE Edition

At the outset, I take this opportunity to introduce www.pmstimes.in through our first ever Newsletter. It was in the summer of 2022 when me and Varun, my co-founder and friend started contemplating the gaps that lay within the PMS and AIF industry. After many weeks and months of deliberations + debates and heated discussions, we could identify multiple gaps in the entire ecosystem of this industry. Post that began the process of figuring out ways to plug these gaps and vacuums in a way that made business sense for all stakeholders.

The 3 stakeholders in the game, namely, THE Manufacturer (Portfolio Manager), THE Distributor (MFD) & THE Investor - the trinity that drives this business. Surprisingly, we found out that the troika is distanced from each other to the point of being invisible.

That's when the idea of PMSTimes came into existence. We intend to be the bridge that covers this huge gap between the stakeholders and brings them all to a common platform. One that facilitates insightful investment decisions for the Investors and assists the Distribution network in analysing the right blend of portfolios and funds for their HNI and UHNI clients.

Our aim at PMSTimes is to become a DEDICATED one-stop shop for PMS and AIF and in fact for as many alternate investment options beyond the regular & traditional investment ideas available. We intend to be the strong and potent pivot, one that ensures GROWTH for all stakeholders, and that includes us.

Harbir Singh
CEO and Co-Founder
PMSTimes.in

Varun Pal
Co-Founder
PMSTimes.in

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Market At A Glance

DOMESTIC MARKETS

INDIA

INDICES	1 MoM (May 23)	1 YoY (1 Year)
SENSEX	2.07%	13.07%
NIFTY	2.13%	12.18%
NIFTY BANK	1.79%	23.88%
NIFTY MIDCAP 100	5.17%	19.30%
NIFTY SMALLCAP 100	4.38%	10.10%

GLOBAL MARKETS

MARKETS	1 MoM (May 23)	1 YoY (1 Year)
DOW JONES	-3.73%	-0.10%
NASDAQ	6.59%	8.53%
S&P 500	2.54%	-1.91%
FTSE	-3.23%	-0.13%
SHANGHAI	-4.35%	0.70%
NIKKEI	6.06%	12.49%
HANG SENG	-8.53%	-14.37%

COMMODITIES

COMMODITIES	1 MoM (May 23)	1 YoY (1 Year)
GOLD $	-0.97%	4.68%
SILVER $	-7.88%	0.67%
CRUDE WTI $	-9.53%	-33.65%
BRENT CRUDE $	-7.56%	-32.59%

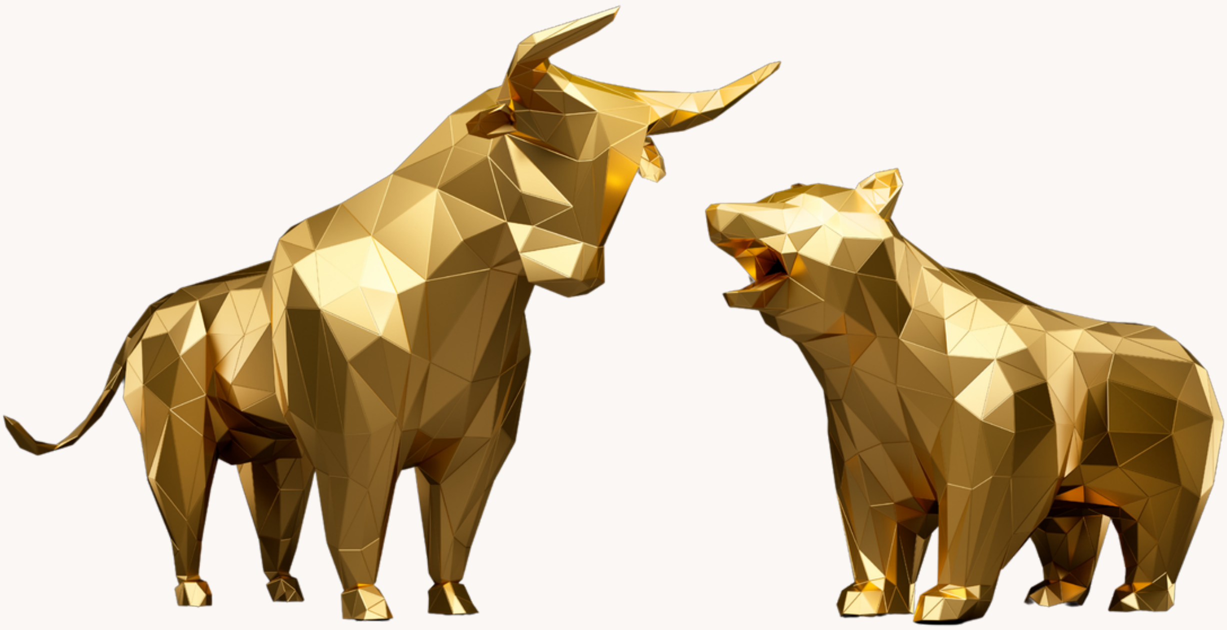
FII DII ACTIVITY (MAY 2023)

FII (Rs Crore)	27,856.48
DII (Rs Crore)	-3,306.35
NET (Rs Crore)	24,550.13

BOND	YTM
10 Yr GSEC 2033	7.02%

CURRENCY	1 MoM (May 23)	1 YoY (1 Year)
INR VS USD	1.14%	6.65%

Source ***www.investing.com***



Fund House in SPOTLIGHT

buoyant

Investing Through CYCLES

"A “good company” is different from a “good investment” - valuations matter. Different market-capitalization indices, sectors and stocks operate in cycles.

A simple ‘Buy and Hold’ framework misses out on the inevitability of cycles. Our Core & Satellite framework allows us to adopt as “Aggressive stance” when we intend to generate superior returns, and adopt a “Defensive stance” when we want to protect capital.

Overall, it results in superior risk-adjusted long-term returns."

Buoyant Capital is a SEBI-registered alternatives asset manager. Founded in 2016, they have a long track-record of delivering consistent and superior risk-adjusted returns. They do not levy entry loads, exit loads, set up fees or have a lock-in. For them **Investors always come first.**

Ensuring Consistent Performance: What Makes Buoyant Stand Out?

Buoyant Capital’s investment philosophy recognizes **the inevitability of cycles.** Navigating the unpredictable ocean of investing keeps us awake. We adjust our sails when we smell a change in the winds. We play a different game when the rules change. We invest through cycles, knowing that no single formula or rule can be put to work flawlessly overall time.

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THE BRAINS

BEHIND THE PORTFOLIO

SACHIN KHIVASARA

Director
Buoyant Capital

Experience - 24 years

Last Employment
Nippon Asset Management, Edelweiss & Enam Investments

JIGAR MISTRY

Co-Founder
Buoyant Capital

Experience - 21 years

Last Employment
Director of Research, HSBC

VIRAL BERAWALA

Director
Buoyant Capital

Experience - 23 years

Last Employment
Nippon Asset Management, Nippon Life Insurance & TCS

Key Attributes

INVESTORS FIRST

ZERO EXIT LOAD
NON MODEL PORTFOLIO
ONLINE DISCLOSURE

DIRECTOR'S SKIN IN THE GAME

6% OF AUM
BY FIRM/DIRECTORS FUNDS

FRAMEWORK

AGGRESSIVE/DEFENSIVE
CROSS CYCLE INVESTING
'HORSES FOR COURSES'

20.7%

CAGR
SINCE INCEPTION

SENIOR TEAM

THOROUGH RESEARCH
'CAPITAL' MINDSET

EXECUTION

NO MODEL PORTFOLIO
MANAGED ACCOUNT
UNIQUE OPERATIONS

Fact Sheet

PERFORMANCE

For the month of April 2023, the **Buoyant Opportunities Strategy** returned 8.4% (vs 4.6% for the BSE-500 TRI, our benchmark; changed this month from BSE100 following the SEBI circular to that effect). Returns are computed post fees and expenses. Having managed to preserve capital during FY2023 (up 6.4% when broader markets were negative), we are especially satisfied that the strategy has managed to beat the benchmark (both old and new) in the month that markets moved up sharply. HDFC Bank and Kotak Mahindra Bank continue to remain custodians.

Our latest Disclosure Document gives more details on our **Liquid Strategy**, an efficient zero-fee route for our investors to phase their entry into equity. Contact Sakshi, our chatbot, for more information on all our products, including the Buoyant Capital AIF.

MARKET VIEW – Not done and dusted yet

Markets have rejoiced at the possibility that the Fed is "one and done now"; implying that the rate hiking cycle has ended. While we believe that the worst may be over in terms of rate hikes, the more pertinent part of the equation is liquidity. The US debt ceiling may limit the Treasury's continued support to liquidity (via TGA and RR), at a time when Fed will reduce balance sheet size by $95 billion per month. The RBI has managed the situation well in India so far, with the differential between Fed Funds Target Rate (FFTR) and Repo, at 150 bps, being very close to its 23-year low.

SECTOR CLASSIFICATION	Weight (%)
Banking	31.9%
Information technology	13.0%
Cash	**10.3%**
Industrials	8.0%
HealthCare	6.7%
Chemicals	5.3%
Automobile	4.3%
Miscellaneous	4.3%
Materials	4.1%
Insurance	4.0%
Media	2.3%
Staffing	2.2%
NBFC	2.0%
Textiles	1.6%
Total	100.0%

MARKET CAP CATEGORY	Weight (%)
Large Cap	30.6%
Mid Cap	9.4%
Small Cap	49.7%
CASH	**10.3%**
Total	100.0%

CORE/SATELLITE BREAKUP		Weight (%)
Core		47.2%
Satellite		42.5%
Cyclical	*14.3%*	
Turnaround	*13.9%*	
Value	*14.3%*	
CASH		**10.3%**
Total		100.0%

But incrementally, RBI's focus will shift to managing the INR, rather than rates, in our opinion. With historic lows on the differential, $280 billion short-term forex loans maturing in a few months, and volatile crude and FDI flows, the RBI may be called into action faster than it would like.

Consequently, we retain our "Defensive" stance; there will be opportunities to dial up risk later in the year, in our opinion.

PORTFOLIO – small-cap opportunity

Since June 2022, the allocation of the portfolio towards small-cap stocks has steadily risen from 35% to now close to 50% - coming at the cost of mid-cap (where we see little value) as well as large-caps (where we have taken some money off in a few businesses). With a strong rally in small-cap stocks, we see the strategy auguring well for returns.

SECTORAL DECISIONS

Sector-wise, our tilt towards financials (especially large caps), continues. Other than financials, portfolio weights for 'India plays' are higher than export-focused themes. It must be noted that our Infotech weight comprises niche plays rather than bread and butter software services players (currently experiencing demand side headwinds, as the US crawls towards a recession).

Also, we have diversified the portfolio to as high as 30 stocks (at 1% or higher in the mix), with the highest position at only 8%. The bottom twenty stocks in this list account for (a relatively high) 41% of portfolio value, a reiteration of our DEFENSIVE stance.

VALUATION

The **Buoyant Opportunities Portfolio** was valued at 21.4x FY23E (positive) earnings as of end-March 2023. This is only a bit dearer than the BSE-500 (positive) P/E of 20.6x. On an FY24E basis, we are similarly a bit higher at 18.2x (vs 17.3x for BSE-500).

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INVESTMENT RETURNS

Since inception, compared to 145% returns for our benchmark (BSE-500 TRI), the Buoyant Opportunities fund has returned 265% returns; an annual outperformance of 6.7% CAGR post fees and expenses. On a 3-year basis, the fund has generated over 17% alpha with only marginally higher statistical risk (portfolio beta at 1.14X).

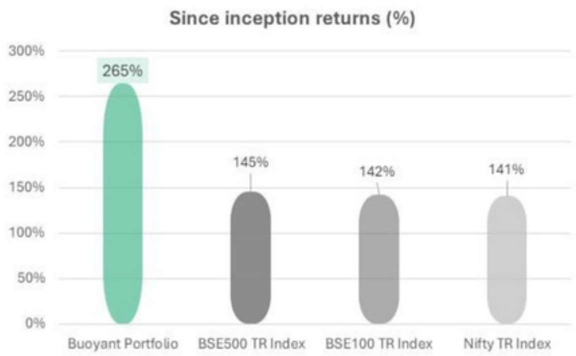
While the fund's standard deviation is higher than the benchmark, we do not see volatility as a measure of risk. We define risks as two-fold, (a) the possibility of a permanent loss of capital, and (b) opportunity cost. Just because an investment is volatile does not make it riskier for us.

We continue to believe that our cross-cycle investing framework offers the best opportunity to generate long-term risk-adjusted returns. Consequently, we continue to offer a single equity strategy via the PMS route and have recently launched a category 3 open-ended AIF, which is just another vehicle for investors to access the same strategy.

Total returns (%)	Buoyant Portfolio*	BSE500 TR Index	BSE100 TR Index	NIFTY TR Index
Since inception (1 Jun 2016 to 30 Apr 2023)	20.6%	13.9%	13.7%	13.6%
Last five years	12.7%	11.4%	11.9%	12.3%
Last two years	26.0%	12.3%	12.6%	12.4%
Last one year	12.5%	4.2%	5.8%	6.9%
Last month	8.4%	4.6%	4.2%	4.1%

Source: Bloomberg for BSE 500 TR Index, BSE100 TR Index and Nifty TR Index. Buoyant Portfolio returns are post fees and expenses. More than one-year returns are annualised.

Risk metrics	1-year	3-year
Sharpe ratio (X)	0.29	1.91
Jensen's alpha (%)	8.44	17.41
Information ratio (X)	1.33	1.76
Standard deviation (%)	17.61	20.52
R-squared (X)	0.87	0.70
Portfolio Beta (X)	1.04	1.14
Sortino ratio (X)	0.61	4.95



Fund Manager

* VIEWPOINT *

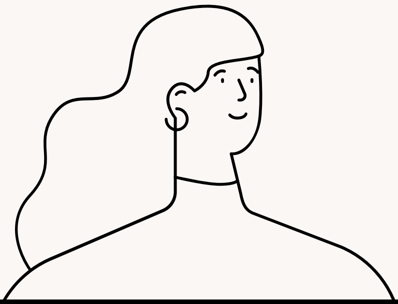
Indian equity markets and the intersection of crude oil, forex and interest rates

WHILE THE DOMESTIC EQUITY MARKET IS OPTIMISTIC ABOUT THE POSSIBILITY OF THE FED NOT RAISING RATES AGAIN, INDIA MAY HAVE TO FOLLOW A DIFFERENT RATE CYCLE OF ITS OWN

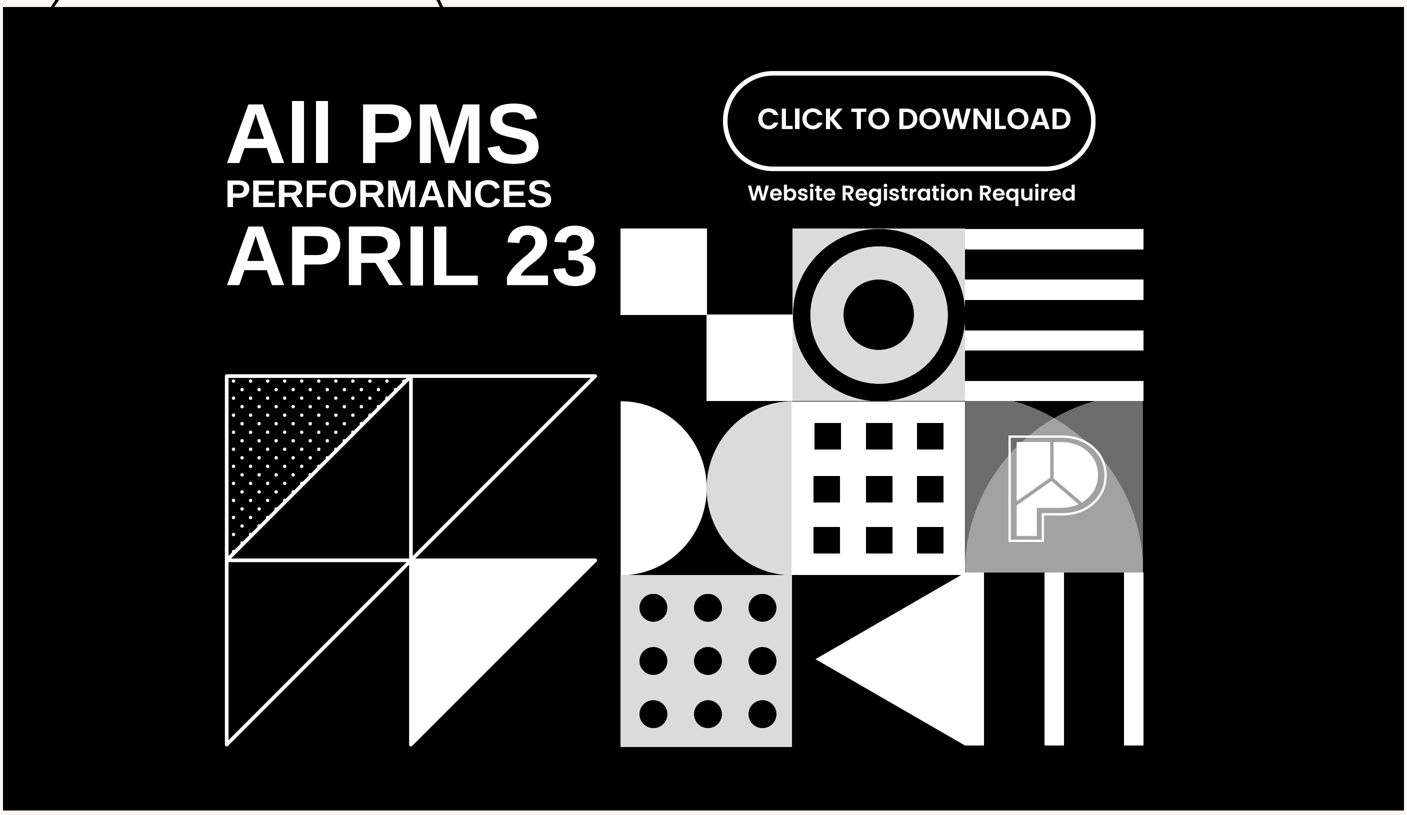
Crude oil is down 12% (1m) and 33% since Jun-22. India imports 87% of its requirements; lower prices are good. But, counteracting forces often play out. Crude impacts India's BOP, inflation, govt. finances and rates. Our article in moneycontrol explores these nuances; here: **CLICK HERE**

Lower crude helps India save $68b a year. For context, BSE 500 F22 pre-tax profits were only $103b. Given (a) the lowest FFTR-Repo differential, (b) overnight call rates breaching Repo (only the third time this century), and (c) global equities rejoicing the potential end of the rate-hiking cycle, unique Indian considerations are gaining importance.

JIGAR MISTRY
Co-Founder
Buoyant Capital



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



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