



Investors' deck

buoyant opportunities fund

March 2024

Investing through CYCLES





buoyant

the eight elements that matter



Track record
CAGR 22.7%



Top rated
across alternatives



Risk adjusted
CRISIL 5-star



Team
mindset "Capital"



Skin-in-the-game
significant



Truly multi-cap
where to invest?



Non-model portfolio
when to invest?



Differentiated strategy
why invest?



No 'star manager' culture

buoyant team

expertise in different sectors

sector weight decisions on a "top-down" basis

stock selection on a 'bottom-up' basis



No 'star fund manager' - eliminate familiarity bias.

investment team



Jigar Mistry

B.Com, ACA, CFA – AIMR, US.

Experience: 22 years

Prior: Director of Research, HSBC

Others: Kotak Goldman Sachs



Sachin Khivasara

B.Com, ACA, CWA.

Experience: 24 years

Prior: Analyst, Nipon Mutual Fund

Others: Edelweiss, Enam



Viral Berawala

B.Com, ACA, PG – IIM-A

Experience: 23 years

Prior: CIO, Reliance Life Ins

Others: Reliance MF, TCS



Dipen Sheth

B.Tech, IIT-K, PG – IIM-C.

Experience: 31 years

Prior: Head - Equities, HDFC Sec

Others: Edelweiss, BRICS



Natasha Lulla

B.A, Eco, LSR, PGDM – MDI

Experience: 16 years

Prior: PM – Aditya Birla AMC

Others: Goldman Sachs





Across business functions

A strong 48-member team



Investment Research

11 members

Total experience: Over 106 years

- Sectoral coverage
- Quantitative research
- Innovative ideation



Risk and Compliance

2 member + External agency

Experience: 6 years

- C.S., LLB leading compliance function
- MC&A act as consultants



Run the Business

29 members

Experience: 90 years

- Covers functions of account opening, operations support and Accounting



Sales and distribution

6 members

Experience: 60 years

- Experienced team for coordination, meetings and client interactions





Everything of consequence operates in **cycles**.

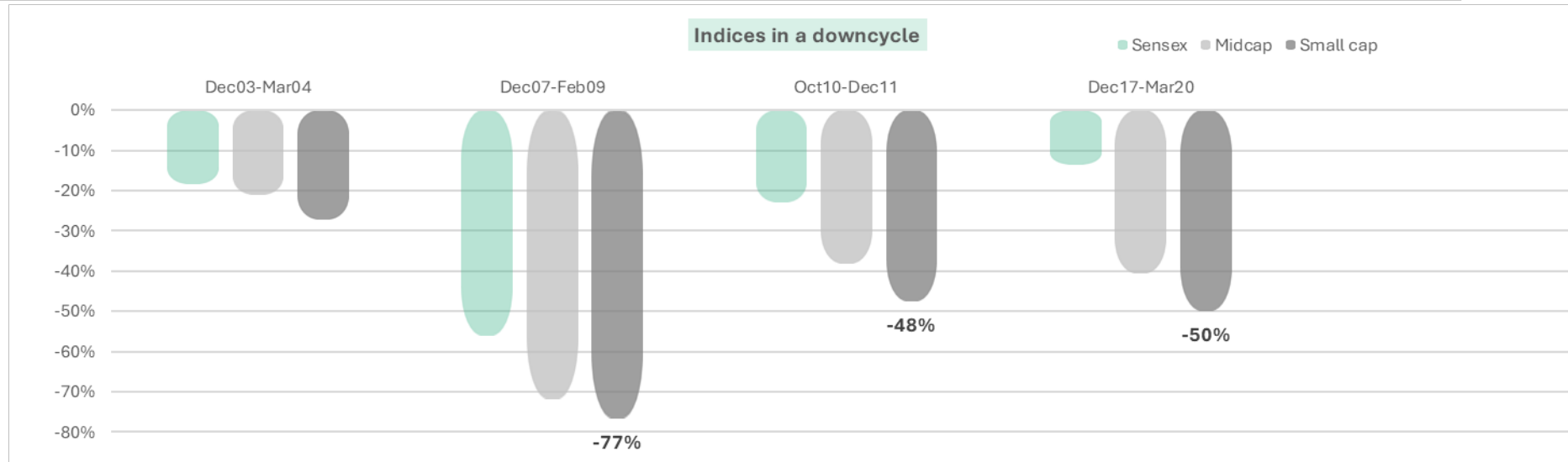
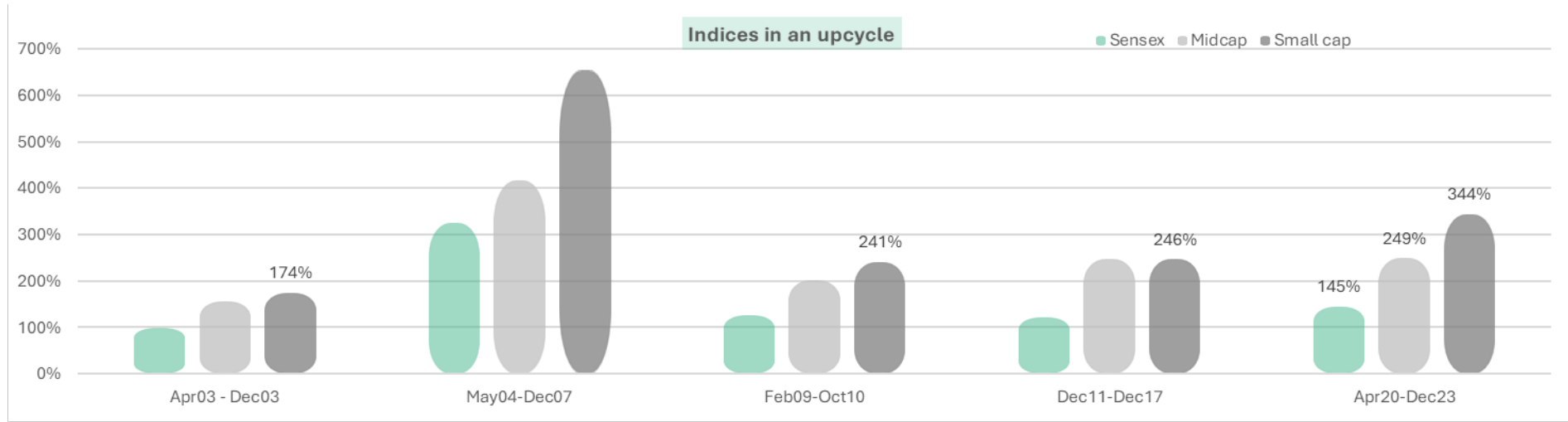
buoyant **strategy** **showcase**

Cross cycle investing in theory



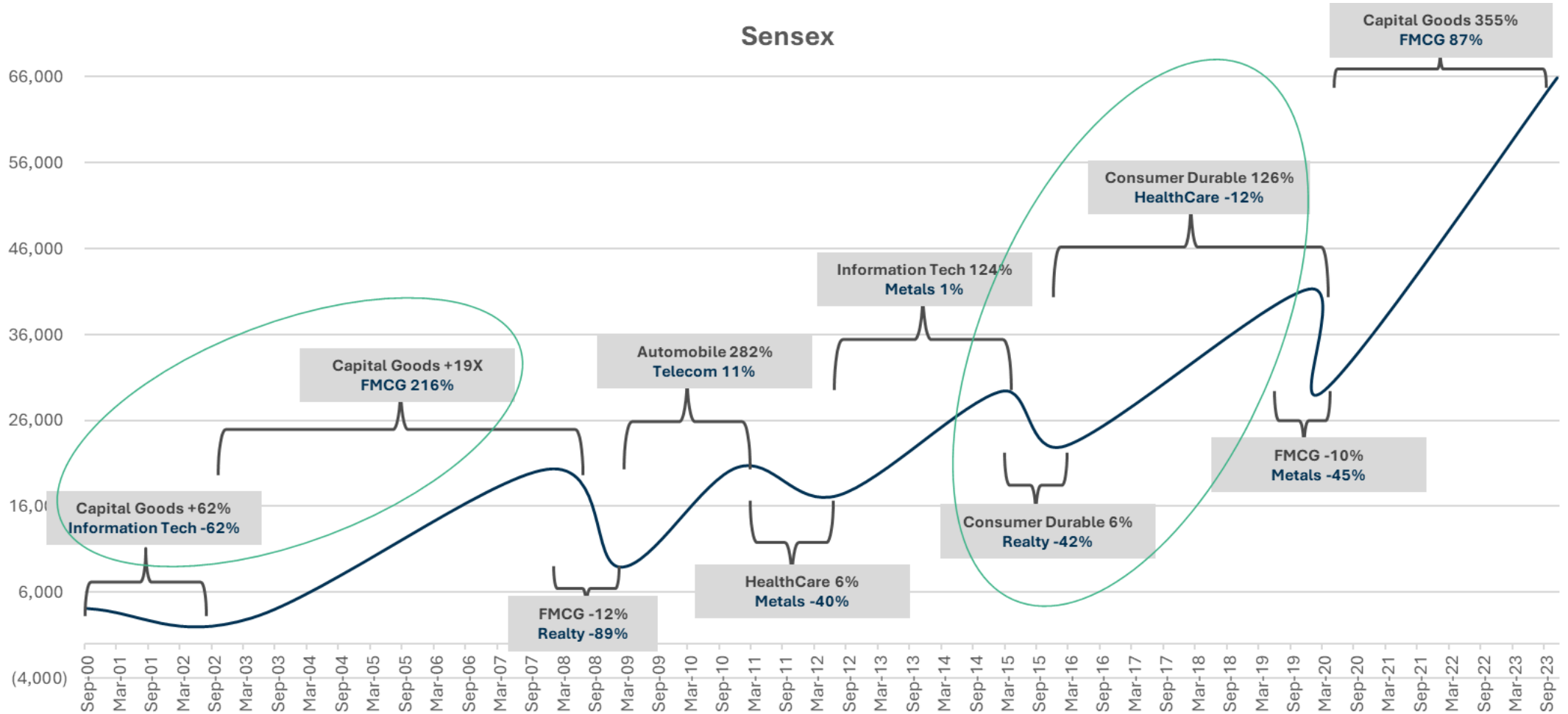
20-year CAGR: Sensex 17%, Small Cap 19%

Market-caps operate in a cycle



“consumption” today is what “capital goods” was yesterday

sectors operate in a cycle

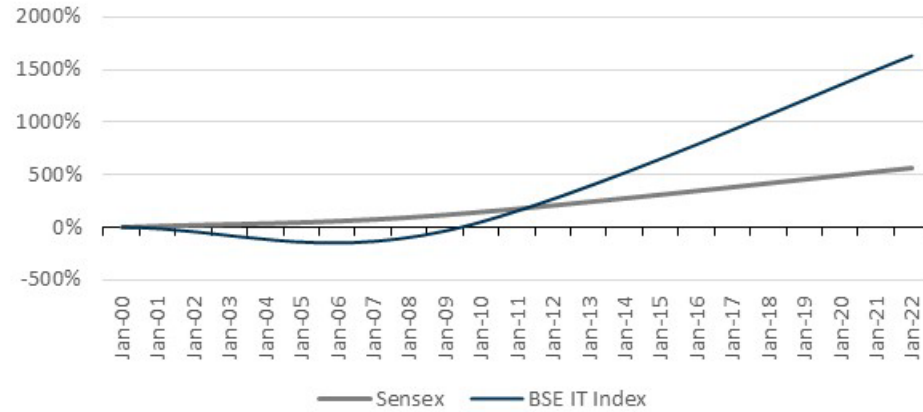




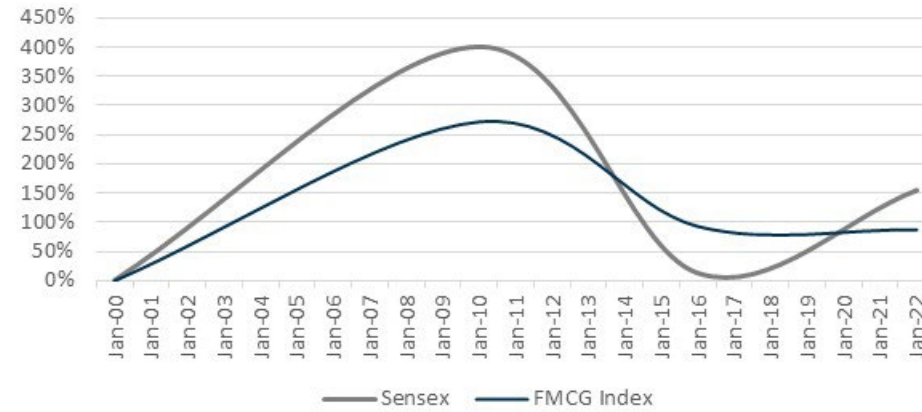
IT, FMCG, and automobiles – all follow cycles

and not just sectors we know are cyclical

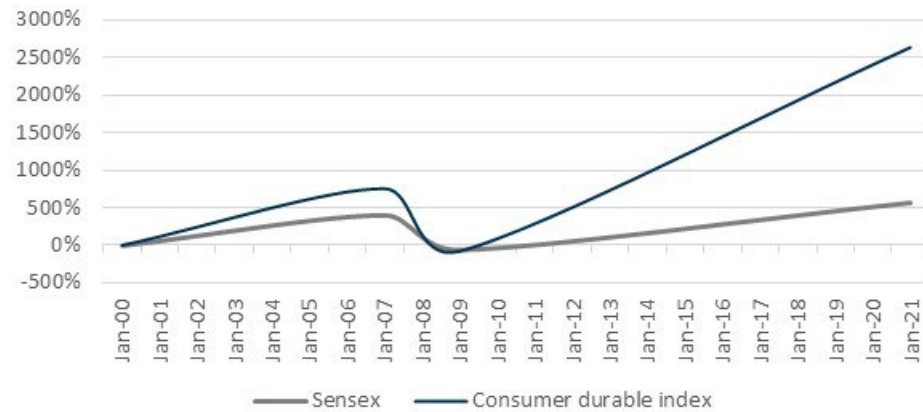
IT Index normalized performance



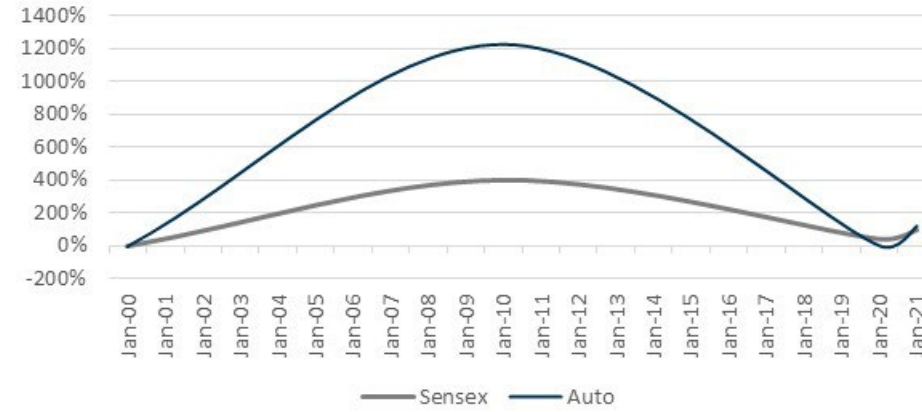
FMCG Index normalized performance



Consumer Durables normalized performance



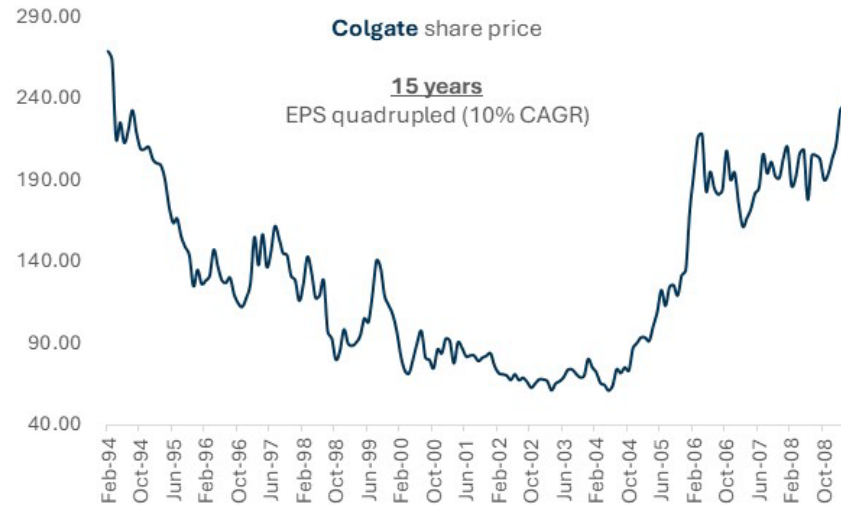
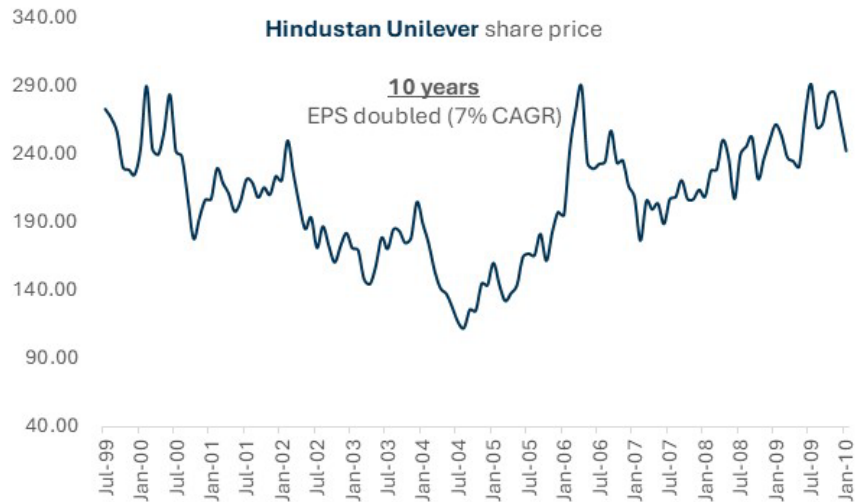
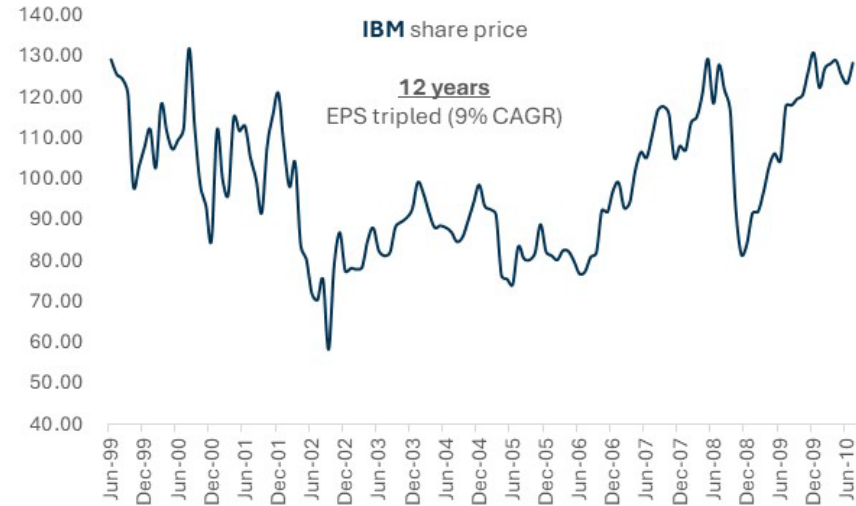
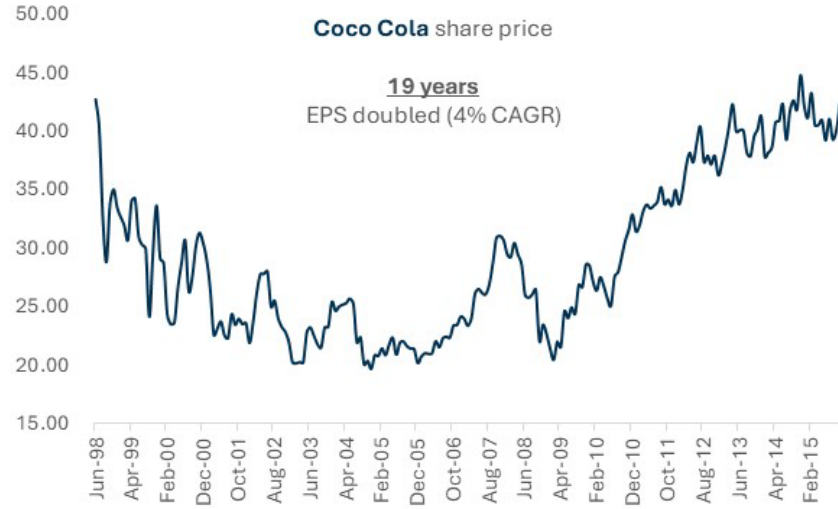
Automobiles normalized performance





A good company is different from a good investment

even stocks follow cycles





Aggressive and Defensive.

how do we approach It?

Aggressive: endeavor to generate superior returns

Defensive: endeavor to protect capital

Overall: superior long-term returns

ned by



core and satellite vertical

Core vertical

Satellite vertical



Cash flows

Prefer predictable versus optional



Cyclicals

Metals, Commercial Vehicles, NBFC



Reinvestment

Prefer dividend yield versus growth



Turnaround

Disruption ending: Bharti Airtel



Leadership

Prefer industry leaders versus challengers



Value

Leader hugely expensive: Max Financial

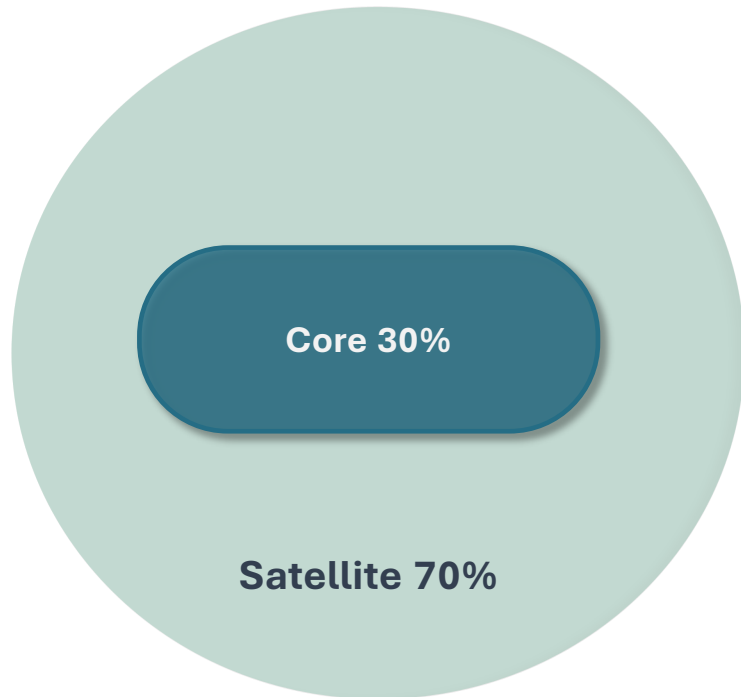




we understand *cycles*

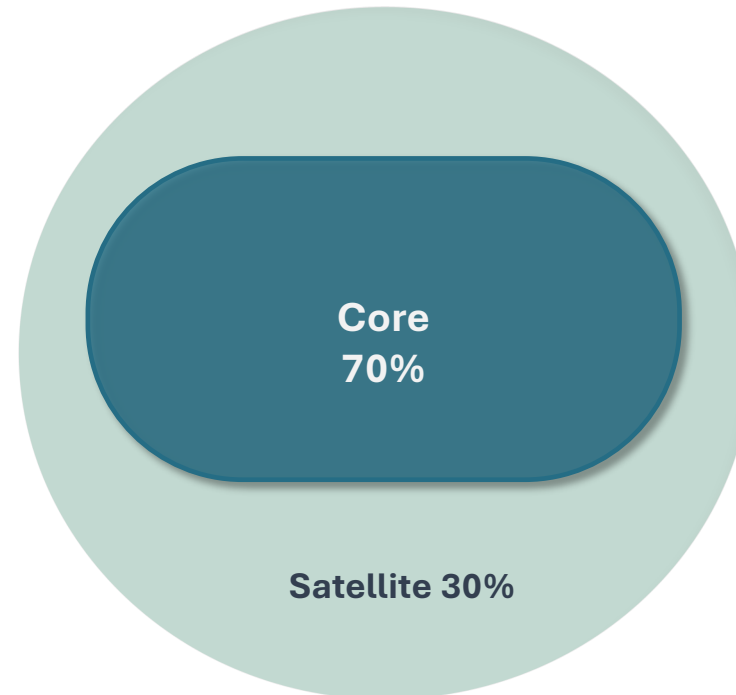
aggressive and defensive cycles

Aggressive cycle stance



- **The end-game**
 - Generate superior returns
- **Execution**
 - Satellite allocation > Core allocation

Defensive cycle stance



- **The end-game**
 - Protect capital
- **Execution**
 - Core allocation > Satellite allocation



Superior risk-adjusted returns.

PMS track record

since June 2016



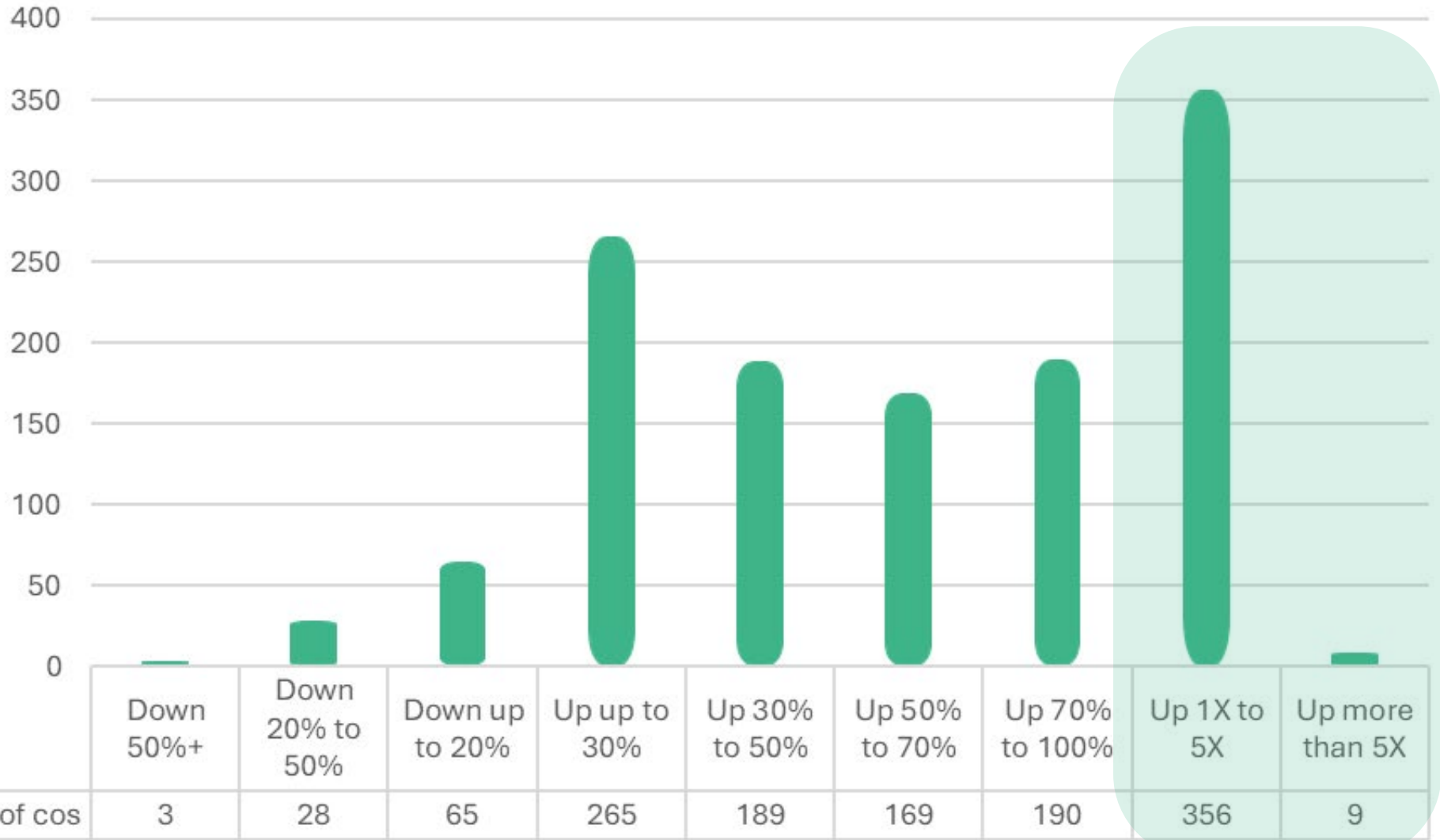
the change in stance





returns breakdown April 2023 and February 2024

a strong bull market

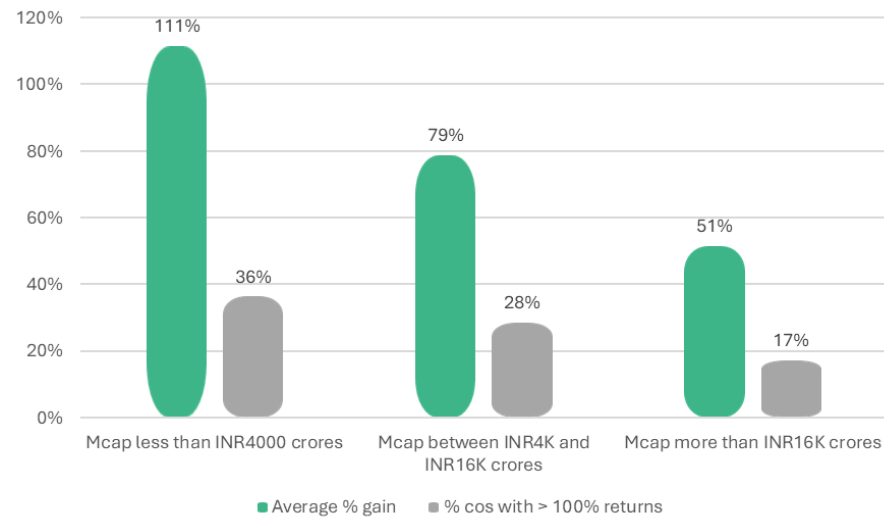
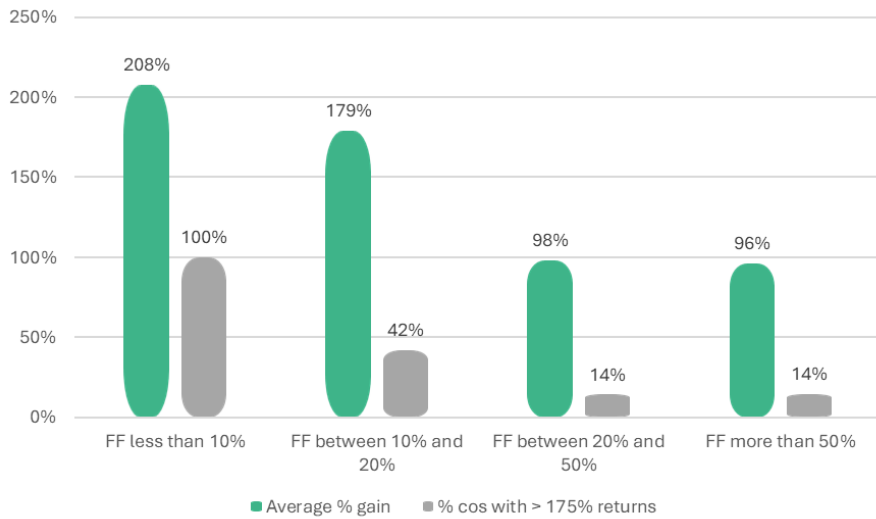
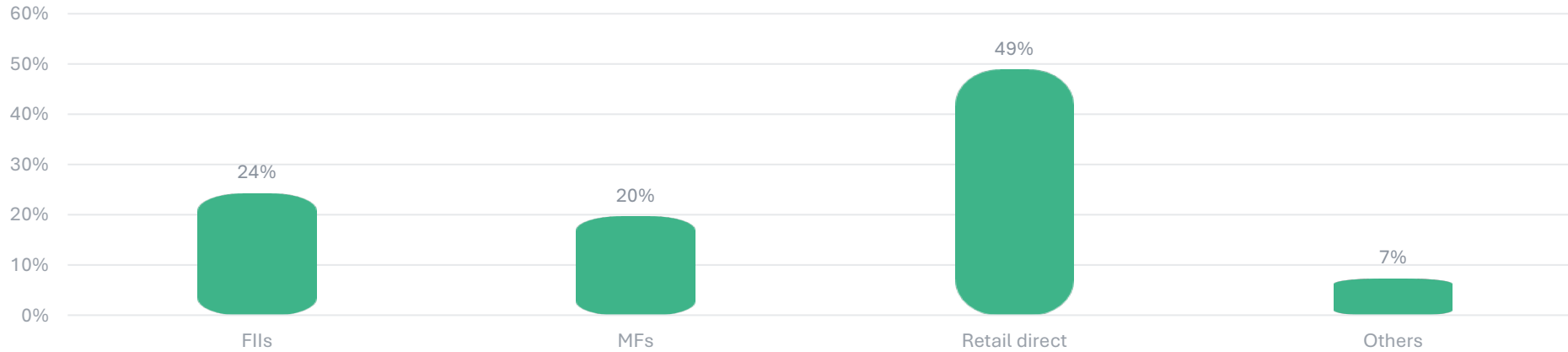




creates a dissonance between

ownership vs. performance

Small-cap free float shareholding %

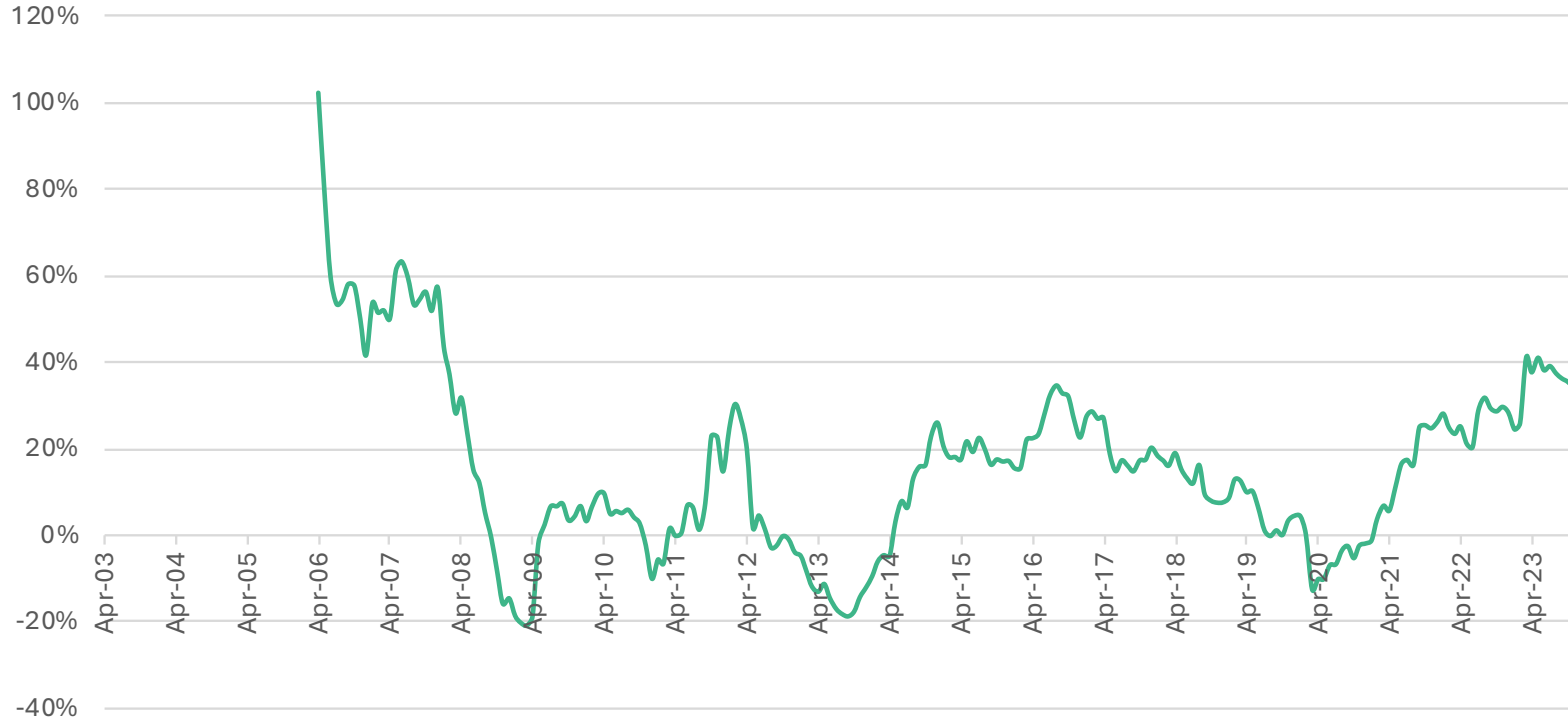




which has historically

not ended well

BSE small cap 3-yr rolling returns



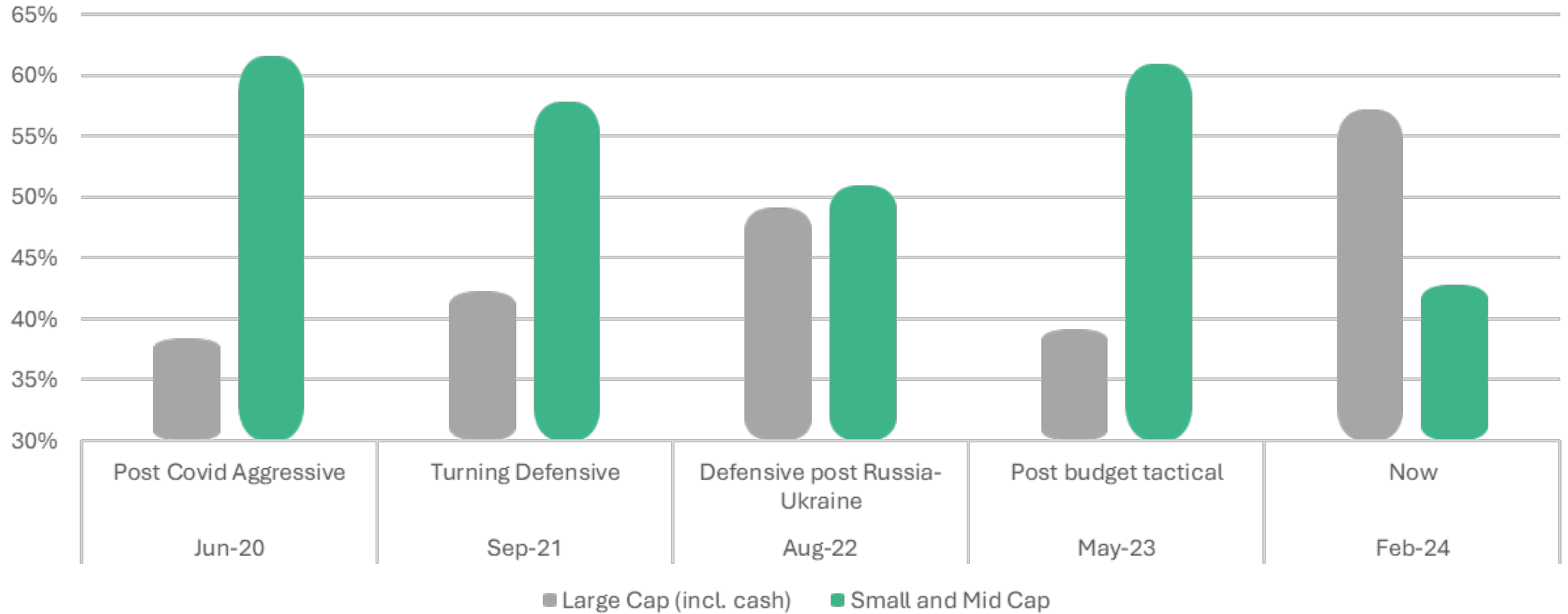
Range	1yr ret	2yr ret
35% 50%	9%	-35%
20% 35%	13%	18%
5% 20%	0%	12%
-10% 5%	23%	50%
-25% to -10%	92%	118%





which is why we have

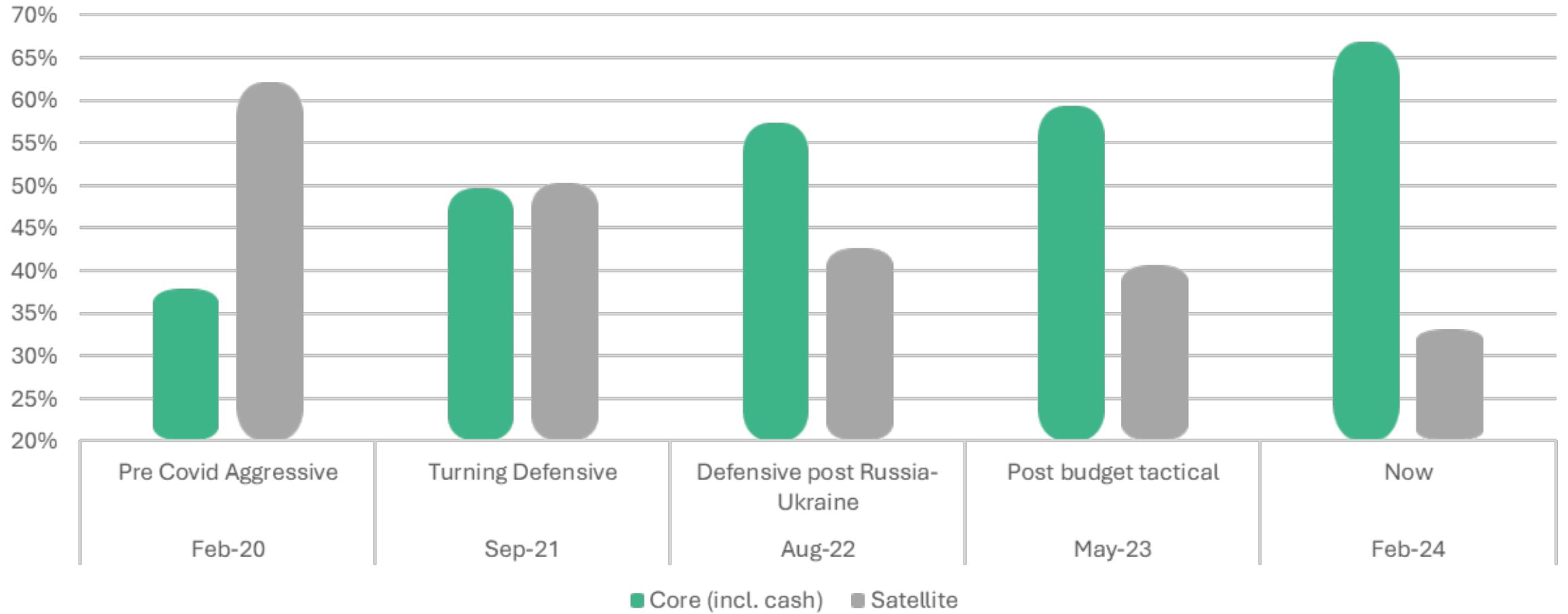
changed the mix





which is why we are

increasing core positions





resulting in a

low volatility portfolio framework

select numbers to observe



0.56
Beta



9.9
Std dev

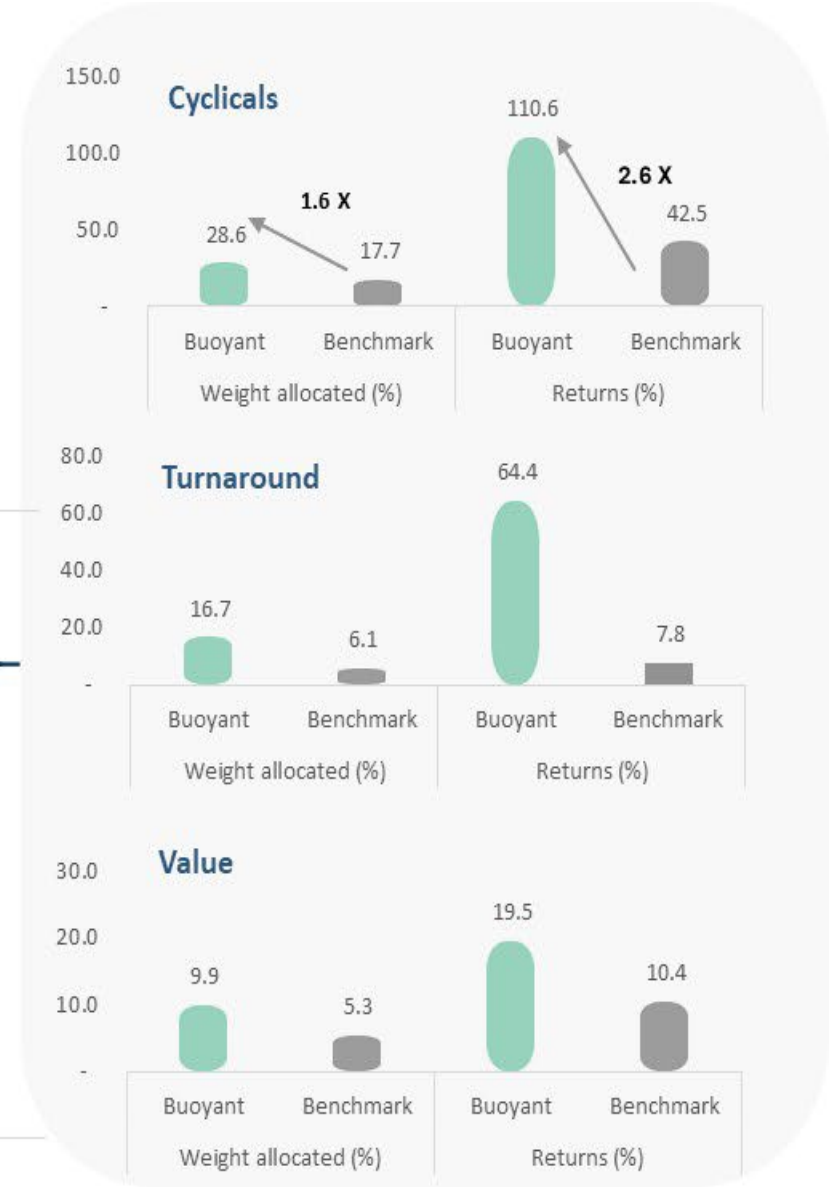


80%
>12.5%





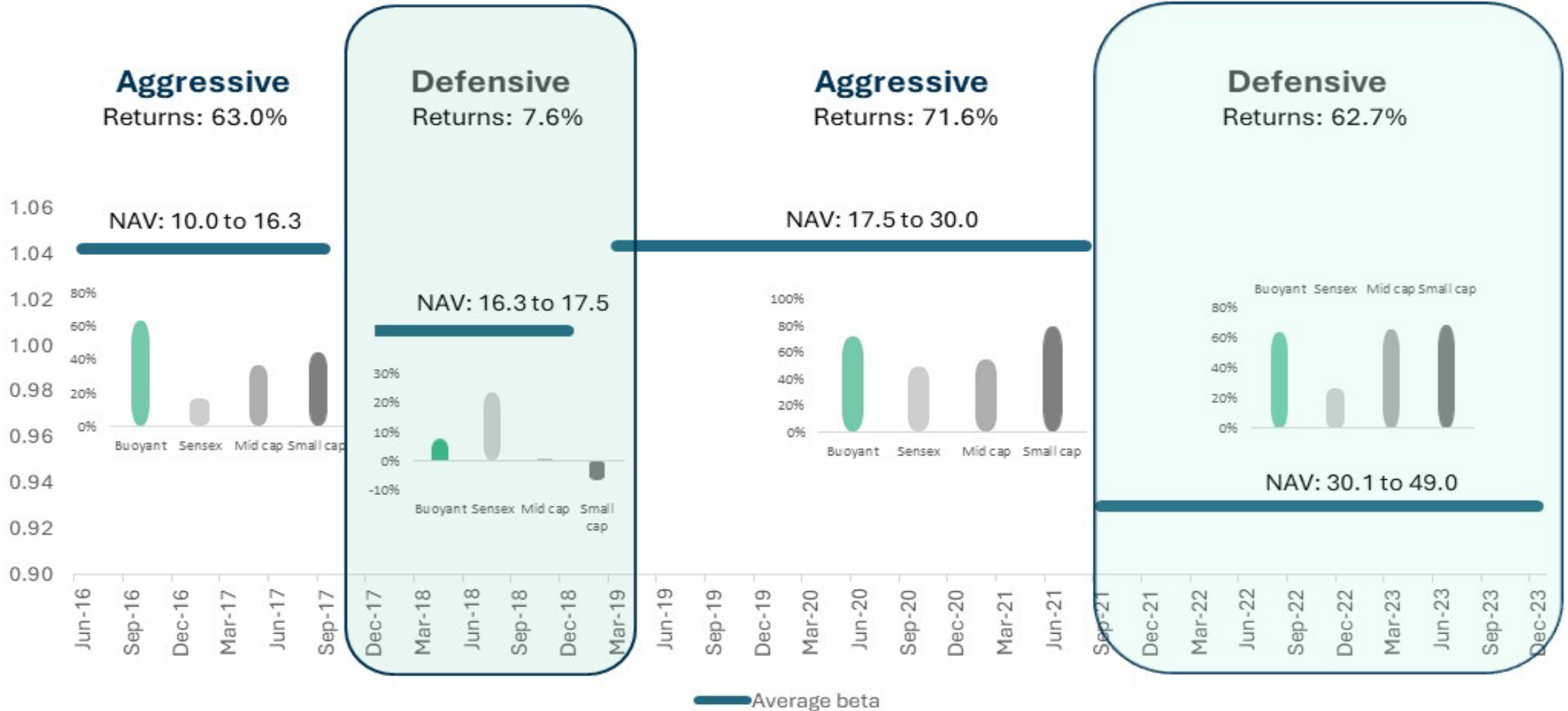
returns breakdown relative weights and returns





returns breakdown: aggressive vs defensive returns

time-wise returns





as of 29 February 2024

resulting in superior returns

As of

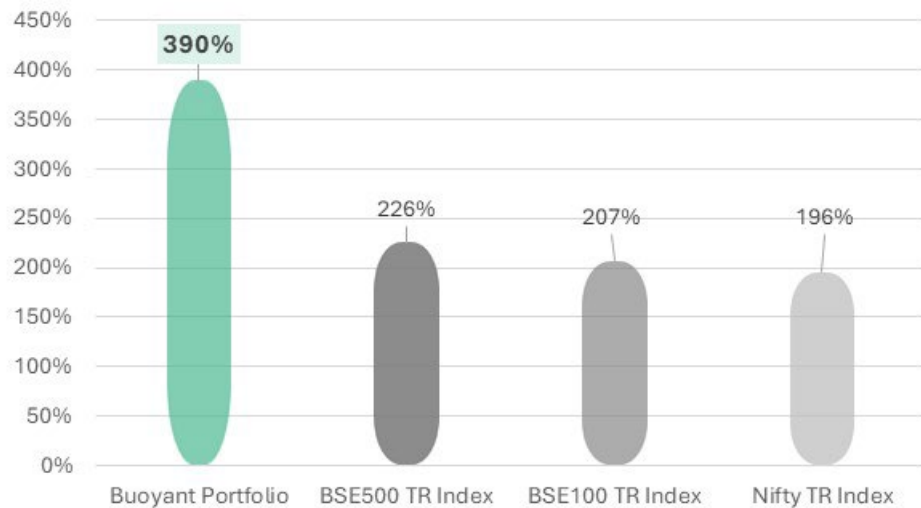
29-Feb-2024

Total returns (%)		Buoyant Portfolio*	BSE500 TR Index	BSE100 TR Index	NIFTY TR Index
Annualized	Inception (Jun-16 to date)	22.7%	16.5%	15.6%	15.1%
	Five years	25.4%	19.0%	17.4%	16.7%
	Three years	28.8%	19.5%	17.5%	16.2%
	Two years	24.7%	19.8%	17.6%	15.7%
Abs	One year	45.3%	39.5%	32.5%	28.5%
	One month	2.5%	1.7%	2.0%	1.3%

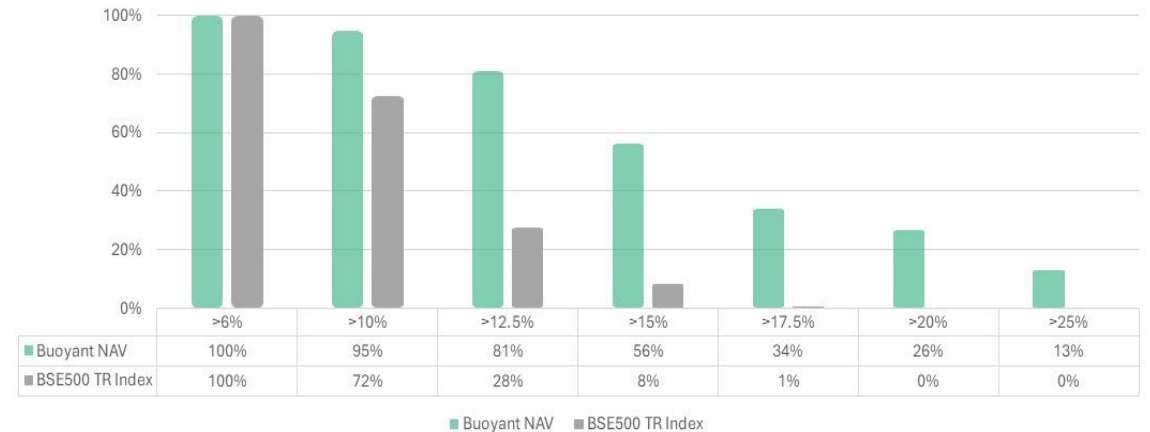
Source: Bloomberg for Indices & Buoyant Portfolio. Buoyant portfolio returns are post-fees and expenses. **More than one year returns are annualized.**

Risk metrics	1-year	2-year	3-year
Sharpe ratio (X)	3.86	1.25	1.44
Jensen's alpha (%)	19.93	7.08	10.66
Information ratio (X)	0.64	0.59	0.93
Standard deviation (%)	9.88	13.96	15.35
R-squared (X)	0.34	0.68	0.58
Beta of portfolio (X)	0.56	0.83	0.90
Sortino ratio (X)	22.59	2.60	2.89

Since inception returns (%)



5-yr rolling-returns frequency distribution since inception





Changing *cyclical stance*

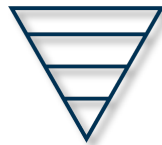
when aggressive versus defensive

When Defensive?



Reverse DCF

upsides not comfortable for many sectors



Inverted pyramid

Valuations: Small Cap > Mid Cap > Large cap



Other factors

Dramatic increase in stock market interest
Justification moves relative
Alpha generation becomes too easy

When Aggressive?



Reverse DCF

assumes low growth, high cost of capital, low TV



Quality at any price

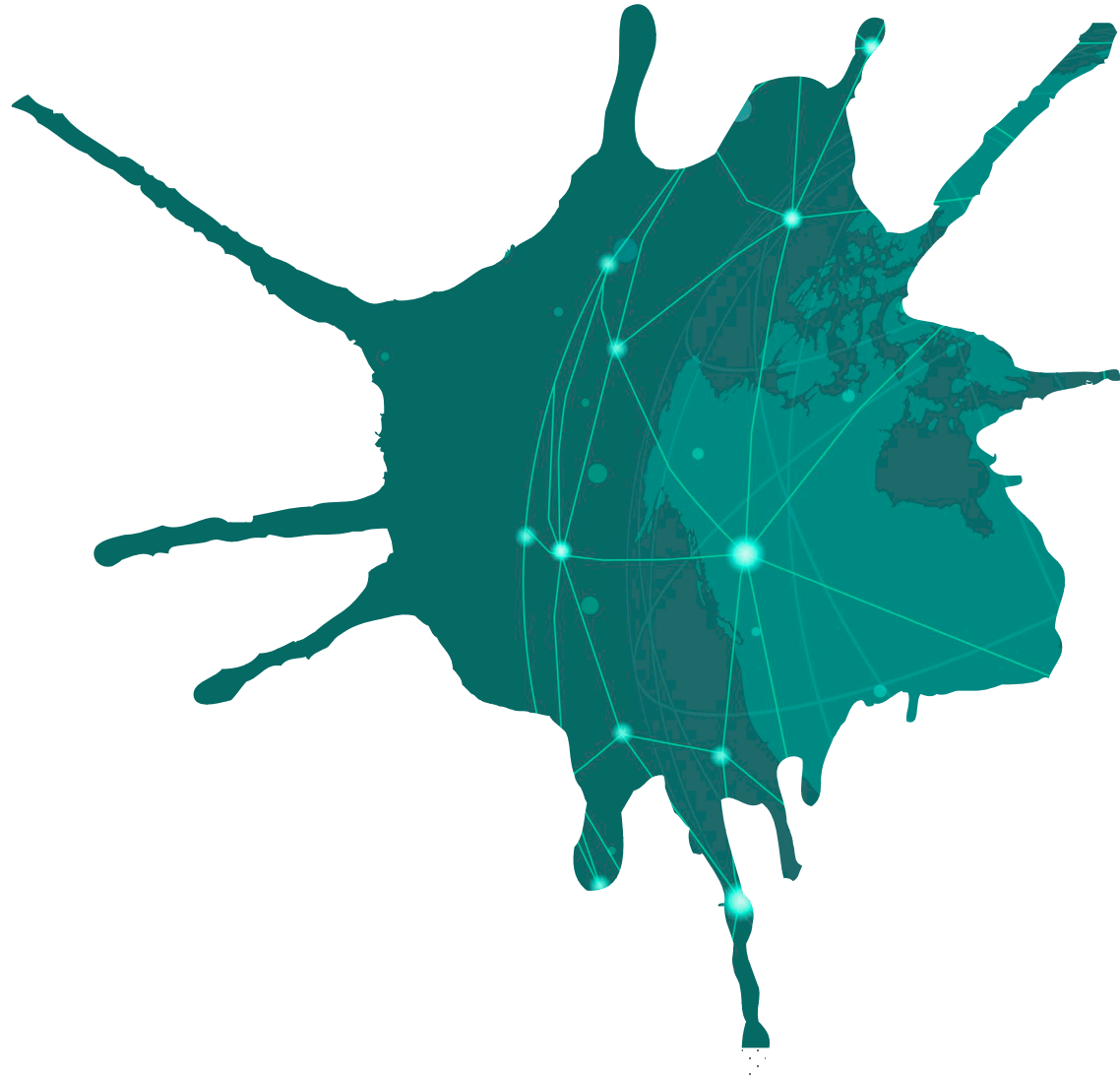
Valuations: don't matter; just buy 'Quality'



Other factors

Dramatic drop in new offerings
Herd mentality in behaviour
Management throws in the proverbial towel





Communication is the **key**.

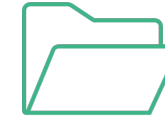
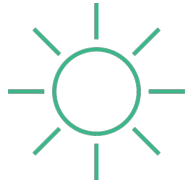
we **communicate** **effectively**

Reducing the difference between “fund returns” and “investor returns” is a critical part of our endeavor



Reduce the difference between **fund returns** and **investor returns**

communication is the key



Daily
Entire portfolio
NAV report

Weekly
Thought-provoking
analysis

Monthly
Detailed portfolio
Factsheet

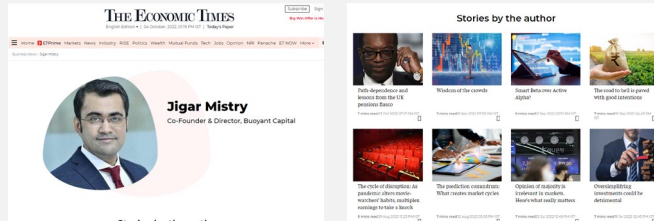
Quarterly
Detailed portfolio
analysis

Annual
Taxation reports
Audited reports

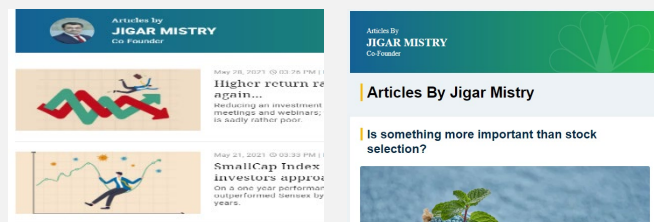


Published articles

Economic Times [\(click here\)](#)



CNBC [\(click here\)](#)



Media appearances [\(Click here\)](#)

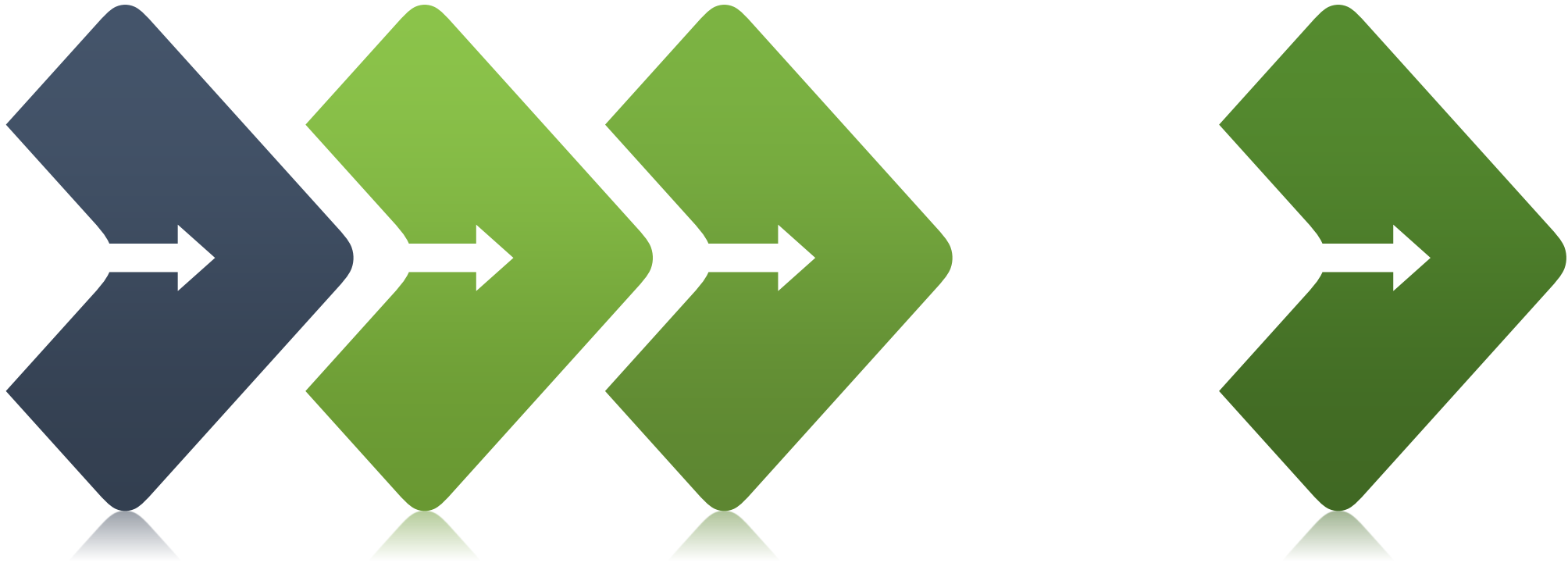
- Appearances on CNBC TV 18
- Appearances on ET Now and ET Now Swadesh
- Appearances on CNBC Bajar





In summary.

why buoyant?



SELECTION

Senior decision-making team



CYCLES

Aggressive vs. Defensive



EXECUTION

Opportunistic deployment



SUPERIOR

Risk-adjusted long-term returns





stay updated

Follow us here





Please refer to this presentation with disclaimers

thank you

Registered address: B-3501, Kohinoor Square, N.C. Kelkar Marg,
Shivaji Park, Dadar West, Mumbai - 400028, Maharashtra, India

Contact information: +91 22 6667 0655

www.buoyantcap.com

info@buoyantcap.com

appendices



Best vehicle to hedge against inflation

why equities in the first place?

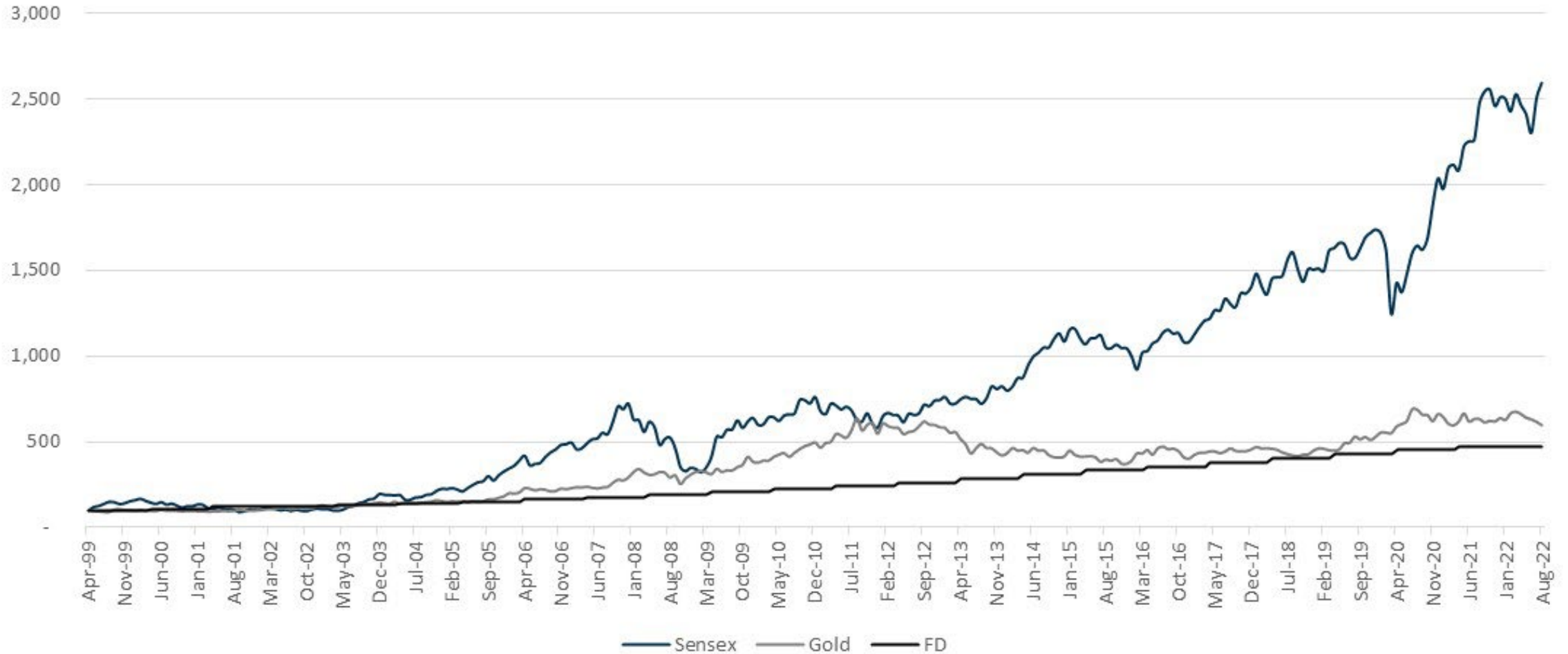
equities have outperformed over long periods
provided we can stomach the drawdowns
which can be sharp on occasion



Bank FD: 5X, Gold: 6X, Equities: 26X

why equities?

Equities has been the best performing asset class over two decades

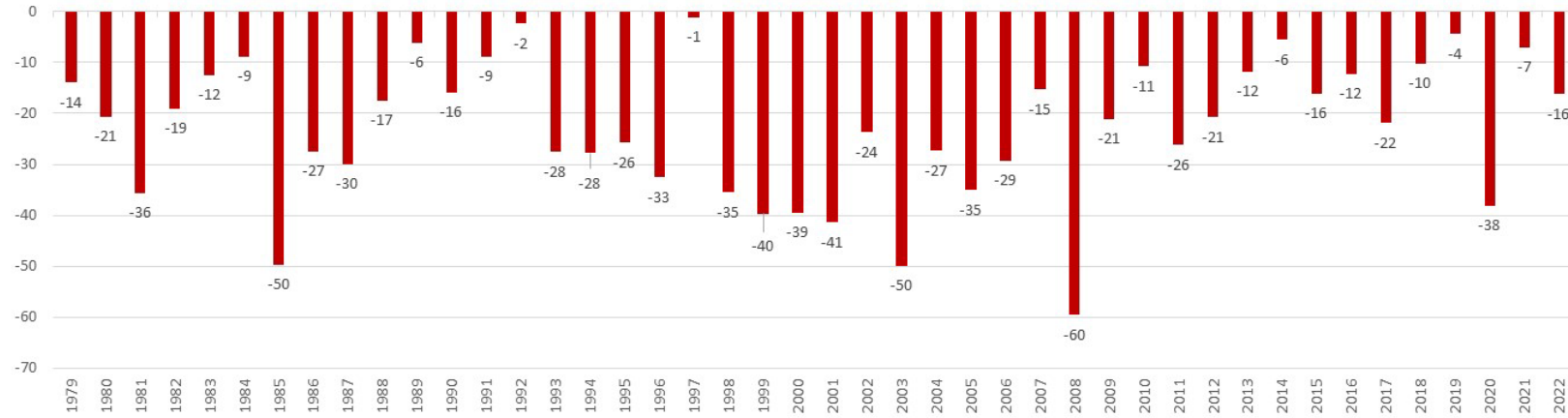




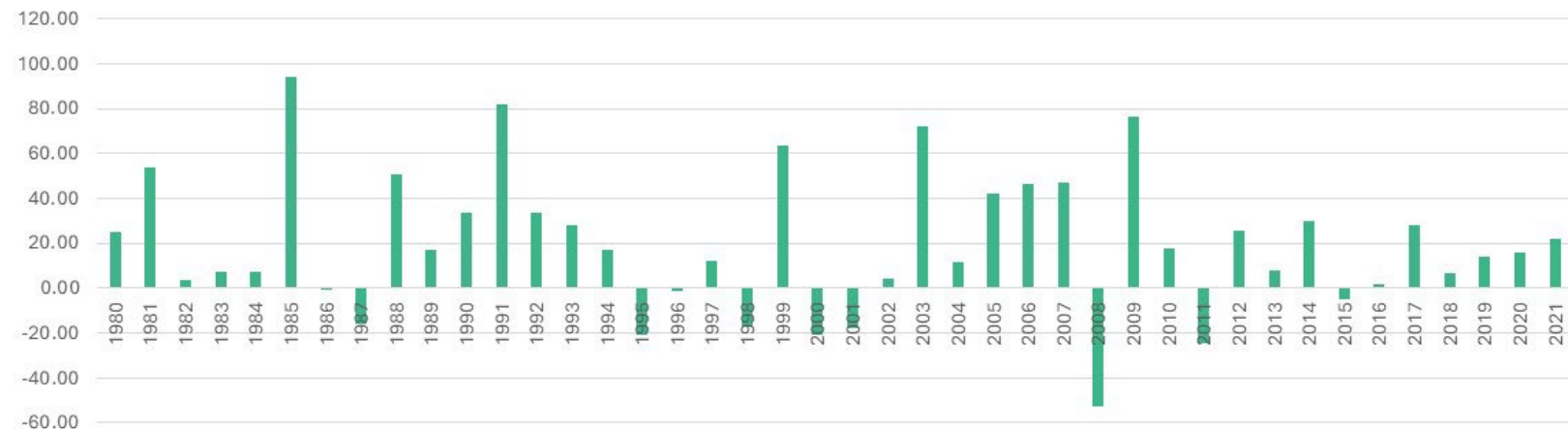
And volatility each year can be large

provided we can stomach the volatility

Drawdown (%)



Annual returns (%)



Drawdowns can be large

but returns make up for it





Mint fresh approach

The story behind the logo

Why change the logo?

We have always argued against philosophies that look at the past and create snapshots (using the past) and that is how, they think, the future should comply with their belief system. Such strategies miss the point that "change is consistent", and the fact that those snapshots themselves keep changing. At buoyant, one, our investment philosophy is that "everything operates in cycles" and two, we embrace change. The organization is getting younger, and we must look beyond the traditional red (HDFC, Kotak, ICICI) and adopt a more 'mint fresh' approach (and hence the green).

Why highlight 'a'?

For two reasons. One, it is not so much as we want to highlight 'a', as much as our belief that everything operates in cycles. Within cycles, there is a reversion to mean - and the green within 'B' of buoyant must recur somewhere. It could have been 'y' or 'a' or 'n'. Which character is not as important as our belief that the green must recur.

But we chose 'a' for a specific reason. It separates the word 'ant' which is of particular importance to us. 'Ant colonies' function in a very different way compared to other species. They don't have 'one queen ant' (like beehives do) but many - and the organization functions in a way that it achieves "self-organized criticality". It is the way in which buoyant functions too - we don't have "one" star fund manager, and other teams also function in a way where the "team" is more important than the "individual" (that goes on to strengthen the entire system).

Our love for the 'ant system' is not recent. We had written about how their order impresses us in 2020. Here is the link:

<https://www.buoyantcap.com/ant-colonies-self-organized-criticality-and-small-caps/>





Also see disclosure document on our website

Disclaimers

Average returns are calculated across all the client accounts from underlying data provided to us by our Fund Accounting team. Returns are not audited. Individual returns will differ from the average returns presented in this note depending on the composition of the portfolio, timing of contributions, withdrawals and fee structure specific to each account. Please contact us with any questions about your statement, returns, fees or anything else related to your account.

Portfolio Turnover Ratio is the percentage of a fund's holdings that have changed in a given period. This ratio measures the fund's trading activity, which is computed by taking the higher of purchases or sales and dividing it by the average monthly net assets. The brokerage ratio is the total brokerage paid (excluding securities transaction tax) and dividing it by the average monthly net assets.

Information in this presentation is not intended to be, nor should it be construed as investment, tax or legal advice, or an offer to sell, or a solicitation of any offer to make investments with Buoyant Capital. Prospective investors should rely solely on the Disclosure Document filed with SEBI. You will find a link to the same on our website.

Any description involving investment examples, statistical analysis or investment strategies is provided for illustration purposes only – and will not apply in all situations and may be changed at the discretion of the principal officer.

Certain information has been provided and/or based on third-party sources and although believed to be reliable, has not been independently verified; the investment managers make no express warranty as to its completeness or accuracy, nor can they accept responsibility for errors appearing herein.

US disclosure: Buoyant Capital Private Limited ("BCPL") is also an investment adviser registered with the U.S. Securities and Exchange Commission (the "SEC") under Section 203 of the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The CRD number is 327612. The regulatory disclosures and brochure are available at <https://adviserinfo.sec.gov/>

UK disclosure: Under the United Kingdom ("UK") Financial Services and Markets Act 2000, as amended (the "Act"), there is a restriction on the promotion of collective investment schemes which are not authorised schemes or recognised schemes in the United Kingdom. Neither the Trust nor the Fund is an authorised or recognised scheme.

A person who is authorised under the Act (an "Authorised Person") can promote the Fund and distribute this Memorandum only where permitted to do so under (a) the provisions of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001, as amended, or (b) rules made by the Financial Conduct Authority (the "FCA") under section 238(5) of the Act. A person who is not an Authorised Person can promote the Fund and distribute this Memorandum only where the content of the promotion has been approved by an Authorised Person, or where permitted to do so under the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order").

This Memorandum is being issued in the UK by the Trust on behalf of the Fund to persons who are investment professionals or high net worth companies, unincorporated associations (in both cases, as defined respectively in articles 19 and 49 of the Financial Promotion Order) or who are otherwise of a kind to whom the Fund may lawfully be promoted or as otherwise permitted by applicable law and regulation. This Memorandum must not be relied or acted upon by any other persons.

Any recipient of this Memorandum who is an Authorised Person may (if and to the extent that it is permitted to do so by the FCA rules applicable to it) distribute it or otherwise promote the Fund in accordance with section 238 of the Act but not otherwise. Any recipient of this Memorandum who is not an Authorised Person may not distribute it to any other person.

The Investment Manager has notified the FCA of its intention to market the Fund in the UK under regulation 58 of the UK Alternative Investment Fund Managers Regulations 2013 (as amended). Investors in the Fund should note that they may not have the benefit of the Financial Services Compensation Scheme and other protections afforded by the Act or any of the rules and regulations made thereunder. As applicability of these protections depends on an investor's precise circumstances, investors who are concerned about these aspects should take professional advice

