



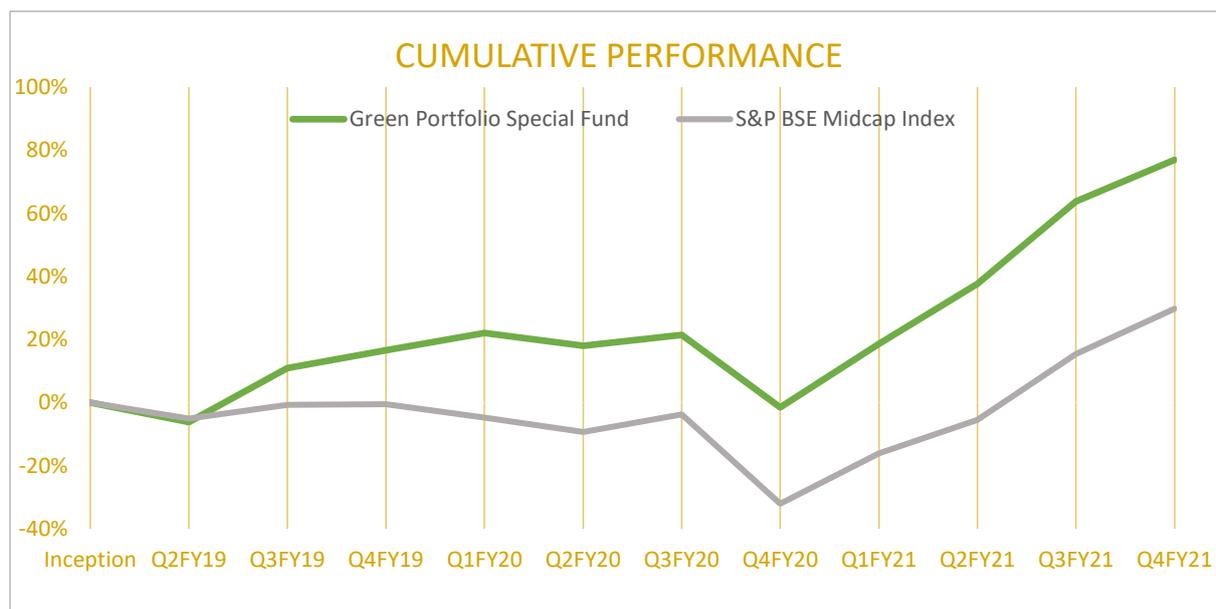
FY 2021 INVESTOR NEWSLETTER

NEWSLETTER TO INVESTORS: FY2021 IN REVIEW & THE YEAR AHEAD

April 5, 2021

Dear Green Portfolio Investors,

Our flagship strategy, the Green Portfolio Special Fund completed the Financial Year ended March 31, 2021, with a gain of 78.5%, after fees, while the BSE MidCap Index – our benchmark, rose 61.8% during the same period.



*Performance since Inception

FY21 has been a very turbulent year since the beginning. We had the onset of COVID-19 around the globe and the announcement of a 2-month lockdown. Which brought about a negative sentiment in the market fuelled by fear and panic.

With timely and sophisticated risk management tools, we experienced a 9.94% plunge against the 37.5% plunge in the BSE Midcap Index as of 23rd March 2020. As per the performance numbers since inception.

Equities started to bottom out and eventually rebounded sharply to hit record levels 11 months later. The NIFTY and SENSEX hit 15,431 and 52,516 from the lows of 7,511 and 25,638.

These lows presented us with tremendous opportunities to board undervalued names to our various portfolio strategies. And our ability to treat this market dislocation as an opportunity rather than a threat enabled us to make FY21 an extremely lucrative year for our investors. Our co-founders, Divam Sharma and Anuj Jain having navigated through several cycles of the stock market brought on the much-needed strength and faith which was instrumental during this period.

Multi-bagger picks like Aarti Industries, Aarti Drugs, Tata Chemicals, Tata Consumer, Valiant Organics, Balaji Amines, Apollo Tyres, Adani Enterprises, Adani Gas, Kirloskar Pneumatics, and ABB Power Products, and the timely exits of several scrips aided in our growth.

Our performance in the short term has been truly remarkable, but we never become elated nor dejected by these numbers. We remain bound to our long-term strategy of wealth creation for our investors. We continue to strictly adhere to our core tenets and investment principles which have been the foundation of our PMS. With our team's conviction and capability, we are confident about identifying competitive businesses through a bottom-top approach with accurate valuations, even during uncertain and ever-changing times. Our investment strategy is also predicated on a belief that the market will eventually reflect the stocks real value even if it takes a long time.

In continuum with our innovative efforts, we have launched the 'Dynamic Super 30 Strategy' as our fifth strategy. This strategy involves identifying businesses that are on the verge of turnarounds and have fallen out of favour. Rigorous screening enables us to identify mainly small and micro-cap stocks that have exponential growth potential, and are undervalued given future cash flows and book value. This strategy assumes a higher degree of volatility associated with higher returns.

YEAR AHEAD

The Atmanirbhar Bharat coupled with the Production Linked Incentive scheme has begun to show real outcomes in terms of employment creation and investments. We expect FY22 and FY23 to be pivotal in the successful implementation of these programs. Along the same lines, the Union Budget announcement has also proved to be a boon for the infrastructure and public banking space.

We will continue to calibrate our portfolio in light of developments being made on this front. We already saw several of our Pharma and Chemical companies availing the announced schemes and market responding favourably. This trend will gain momentum throughout the next 5 years as several other companies in our portfolio move to take advantage of the macroclimate, set up new facilities, and ramp up output. With that being stated, we believe the Telecom, e-mobility, and infrastructure industry to undergo a concerted transformation in the coming years.

Despite the recent rally in the broader stock market and record influx of retail investors, the overall participation in the Indian stock market by residents is below 5%.

During 2020, USD 58 billion came into the economy as FDI inflows, when broadly the FDI inflows to developed markets were standstill. On the FPI side, India was the only emerging market to receive net equity inflows from FPI's in 2020 – USD 40 billion. We forecast this trend to continue as India is still in its early stages of becoming an economic and manufacturing powerhouse. As the manufacturing and infrastructure of our country strengthen, so will our economy as a whole.

We firmly believe India's economy will expand substantially in the next 2-5 years and this will translate to higher foreign investments and stock market volume. Further adding to the stock market growth will be the depressed interest rates on savings, and the earlier mentioned increasing retail participation.

Hence, with an array of factors orienting in our favour, and most importantly with your trust and confidence as the cornerstone of our growth, 2021 will be another robust and lucrative year.

Very truly yours,



Divam Sharma

IMPORTANT NOTICE

The data contained in this newsletter is based on the information until the 31st of March 2021. We are not responsible for any transactions nor investments conducted privately by the recipient, based on the above information or data.

All investment decisions must be conducted with due diligence and after seeking advice. The performance reported above is not verified by SEBI. Investors can directly invest by contacting us. This document is produced using the returns data of our flagship strategy 'Green Portfolio Special' fund.

This newsletter does not constitute personal advice. Anyone considering using the service should seek financial advice.
