



ELECTION 2024 - THE IMPACT

BREAKING NEWS

MARKET VOLATILITY AMIDST ELECTIONS 2024



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WHATSAPP NO.

98158-10172

SIP in Large Cap vs Mid Cap vs Small Cap Funds Which category is the best for long-term growth?

Excerpts of the Interview of Mr. Anirudh Garg (Fund Manager, INVasset) with ZEE Business on Wed, Apr 03, 2024

Anirudh Garg, Partner and Fund Manager at Invasset, believes for SIP investors, large-cap funds could be a safer bet in the current environment, particularly for those focusing on capital preservation.

Systematic Investment Plan (SIP) is the most preferred option for investing in mutual funds today. Investors contribute a fixed sum regularly, like monthly or quarterly, rather than a lump sum, starting from as low as Rs 100 per month. Equity mutual funds are divided into three categories-- small, mid, and large caps. An investor can either pick one fund or can diversify their portfolio.



Anirudh Garg, Partner & Fund Manager at Invasset, advises SIP investors to consider large-cap funds for capital preservation. He recommends buying mid/small caps during dips, shifting to large caps during upswings, and transitioning back when broader market declines offer value.

So where should long-term SIP investors park their funds?

Anirudh Garg, Partner and Fund Manager at Invasset, believes for SIP investors, large-cap funds could be a safer bet in the current environment, particularly for those focusing on capital preservation. Garg suggests buying mid and small caps on dips as a tactical move and large caps on the rise, with a readiness to shift back to mid and small caps when comprehensive market declines present clear value opportunities.

What kind of returns can one expect from large-, mid-, and small-cap funds with a long-term view?

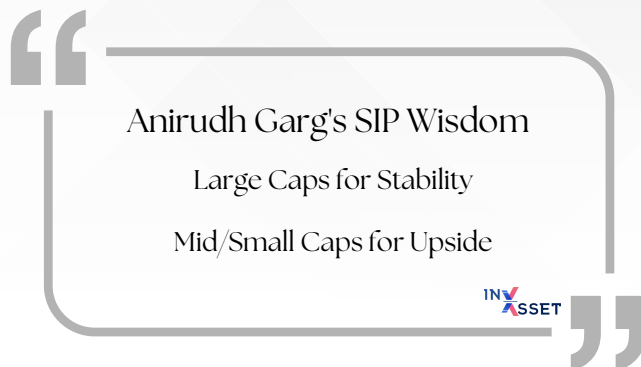
Experts estimate an appreciation of 8 to 15 per cent. As for mid and small caps, they foresee an appreciation of 10-15 per cent, but with a significant downside risk of 25-30 per cent.

Which fund is the best for long-term investors?

Given the shifting landscape, Invasset prefers large-cap funds as the segment is considered to be more resilient, with less volatility compared to the mid and small caps. Further, while the potential for growth in mid and small caps still exists, the heightened risk and anticipated market volatility lean in favour of large caps for steady long-term growth.

For detailed reading click on the link :

<https://www.zeebiz.com/personal-finance/news-large-cap-mid-cap-small-cap-sip-long-term-mutual-funds-investment-282697>



When to Sell ?

We get a lot of Questions around when to sell a stock ?

Always remember that you can't always predict the top and bottom of the stock. Hence, consider these pointers before selling.

If the stock has achieved your target returns.

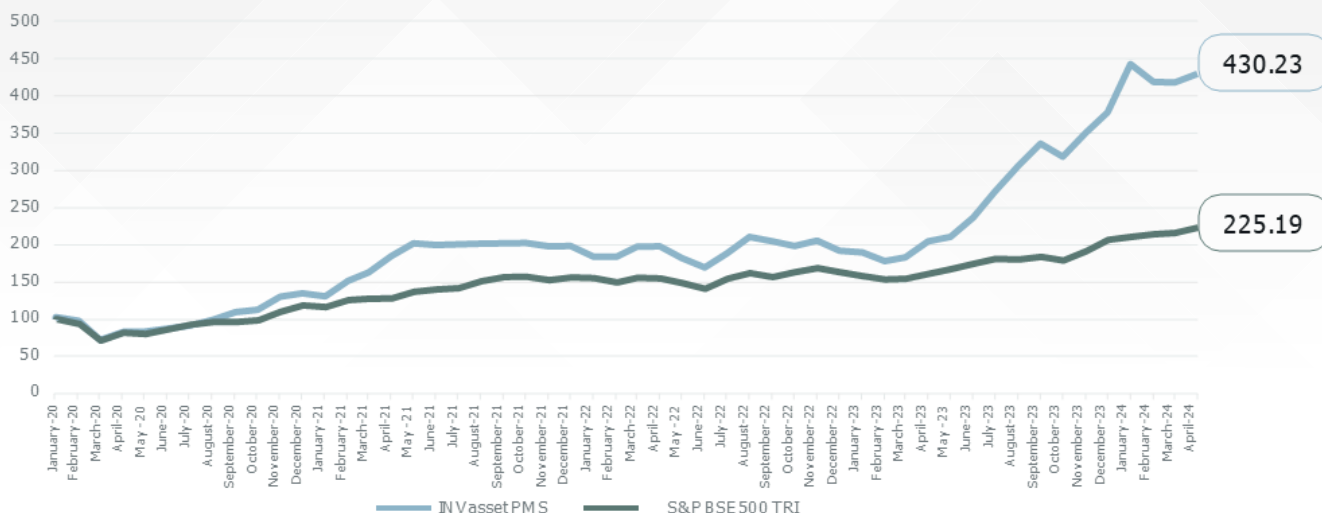
You have found a better opportunity.

You think that the stock might fall from here (maybe overvalued now).

The fundamentals of the company has deteriorated.

The valuation doesn't make sense now: not sustainable

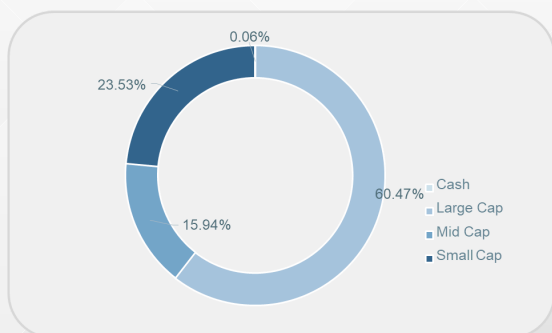
INVasset Growth PMS Fund Performance – Absolute Basis



INVasset Growth PMS Fund Performance – Period Wise



MARKETCAP CLASSIFICATION



INVasset Growth PMS Fund Top 5 Holdings

Security	Assets%
Mazagon Dock Shipbuilders Ltd.	9.16%
Garden Reach Shipbuilders & Engineers Ltd.	9.06%
Reliance Industries Ltd.	7.23%
HDFC Bank Ltd.	6.22%
ICICIBank Ltd.	4.19%

INVasset Growth PMS Fund Top 3 Sectoral Exposure

Security	Assets%
Defence	21.71%
Finance Lending	21.35%
Metal	12.16%

Disclaimer : Past Returns are not an indication of future returns. If you are investing in PMS or taking any financial decisions then please consult your financial advisor before investing.

Dear Investors,

I hope this message finds you in good health and high spirits. Today, I want to share some insights that might seem counterintuitive to many, yet they are crucial as we navigate these exuberant market conditions.

When you first joined us at Invasset, I promised we would strive—though not guarantee—to grow your capital at an 18% to 28% CAGR, with the understanding that there might be temporary downturns. I take this commitment very seriously and everything we do aims to reach these targets. Remember, while targets are just that, targets, achieving them requires trust in your fund management team.

Two years ago, I was a vocal advocate for mid-caps, small-caps, and public sector investments, even when popular opinion favored private sector banks, IT, pharma, and FMCG. Many questioned the wisdom of investing in what seemed like less dynamic sectors. Today, the results speak for themselves, and while I don't wish to boast, the performance of our choices has justified our strategies.

At Invasset, our decisions are not just based on historical data but are also designed to understand and react to investor psychology—greed and fear. Currently, our analytics suggest that the market is showing signs of extreme greed. This often precedes a shift to extreme fear, a cycle we are prepared to navigate.

For our domestic investors where hedging is possible, we've taken steps to safeguard your investments. As of February, we reduced the portfolio's beta. For our NRI clients, we are increasing cash holdings, ready to capitalize on significant market dips when fear takes over and true value emerges.

Recently, some of you have asked why we have shifted our focus to large caps and steered away from mid and small caps. I treat your capital with the utmost care, as if it were my own, and I would not risk it in high-beta environments that don't support such strategies. Trust that this journey with us, though it may span 3 to 4 years, will clarify many of these strategic decisions.

Investing with us is a mutual relationship built on trust. The decisions we make for ourselves are the same ones we make for you. There will be times we are wrong, and times we might underperform, but our approach is time-tested, multifaceted, and designed to withstand various market conditions.

As your fund manager, my advice during times of temptation by the current MidCap and small cap rally is to remain cautious. This exuberance is a clear indicator of the market's cyclical nature. If you decide to invest independently in these segments, I wish you success, but urge you to prioritize capital preservation.

Thank you for trusting us with your investments. Together, we'll navigate these turbulent times and look forward to the opportunities that await us.

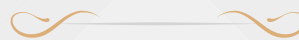
Warm regards,

Anirudh Garg
Fund Manager, Invasset PMS





India's #1 PMS: INVasset's Fund Manager Anirudh Garg Reveals Strategy Amid Market Uncertainties on CNBC Awaaz



Garg unveils his strategic shift towards Alpha Preservation amidst prevailing market uncertainties, steering away from conventional Alpha Generation tactics.

Q Is the market ready to surrender more value seeing the US Inflation, Israel - Iran War Escalation, NIFTY IT Downward trends and more ?

A: We have to realise that the markets today are expensive and we have to have a very cautious approach from now on. I dont see a major downward trend in the market owing to US Inflation or Israel Iran War but at the same time the small jerks in the markets can cause a lot of damage. Overall an extremely cautious investing is required at this moment. We have to create the portfolios keeping in mind an approach on how the makrets are going to behave in the next 2 years.

Q: Where do you place the IT Sector in the current scenario ?

A: IT will remain a good sector for the coming two years and a good investor should keep the bad news aside and use the IT dips to make SIP (Systematic Investment Plan) in IT Sector. Keeping the long term vision the IT Sector is going sail through this tough time.

Q: How does the portfolio of INVasset look like at this moment ?

A: We have shifted the major portfolio from Small and Mid Caps to Large Caps in January, 2024. We are only buying value stocks in Mid Caps. Our focus at INVasset is on capital preservation and value buying. The Mid & Small Caps can see a upside on 15% and at the same time can witness the downside of 25%. INVasset has shifted to Large Caps to minimise the impact of expensive markets as up & downside will be controlled within 10%.

For the complete video Click on the link : https://youtu.be/4L-HQr_8MFE?si=L-EDb6XjyaeFeZY3

Quiz Time

Q.1 Which Indian company became the first to reach a market capitalization of \$200 billion in September 2020?

- A) Infosys
- B) Reliance Industries
- C) Tata Consultancy Services
- D) HDFC Bank

Q.2 In 2022, which major Indian financial services company was affected by allegations of governance lapses, leading to significant changes in its management?

- A) HDFC
- B) Kotak Mahindra Bank
- C) Adani Group
- D) ICICI Bank

Q.3 Which index primarily tracks the performance of small-cap stocks in the Indian market?

- A) NIFTY 50
- B) SENSEX
- C) NIFTY Midcap 100
- D) NIFTY Smallcap 100

Q.4 What was the major impact of the COVID-19 pandemic on the Indian stock market in March 2020?

- A) A temporary suspension of trading due to a technical glitch
- B) Record high stock prices due to increased investing
- C) A significant market crash leading to a circuit breaker
- D) Introduction of a new digital trading platform

Q.5 In 2021, which Indian corporation made headlines by completing the largest-ever IPO in the history of the Indian stock market?

- A) Paytm (One97 Communications)
- B) LIC
- C) Zomato
- D) SBI Cards

Answers

- Ans 1 - B) Reliance Industries
- Ans 2 - C) Adani Group
- Ans 3 - D) NIFTY Smallcap 100
- Ans 4 - C) Significant Market crash leading to a circuit breaker
- Ans 5 - A) Paytm (One97Communications)

Invasset LLP's Growth Pro Max PMS scheme climbs 128% in FY24, Fund Manager shares Winning Mantra

Excerpts of the Interview of Mr. Anirudh Garg (Fund Manager, INVasset) with BT Money Today on 20th April, 2024

Invasset LLP's Growth Pro Max PMS strategy generated robust alpha for high net-worth individuals (HNI) in the financial year 2023-24 (FY24). The multi-cap scheme gained 128.47%, while the benchmark BSE 500 TRI index rallied 40.16% during the same period. In an interaction with Business Today, Anirudh Garg, Partner and Fund Manager at Invasset, said they follow four distinct styles of investments that are coded into the **Invasset AAID (Advanced Algorithm for Investment Decisions)** model to cater to dynamic market conditions. This is called the **Invasset AAID shifter**, which helps them with step-by-step guidance to check if the market is pivoting so that they can proactively make prudent decisions for their valued investors.

Of late, they shifted more than 90% of their clients' positions into large caps between January and February 2024. "This decision is based on our analysis and understanding of market dynamics, ensuring that our investments are well-positioned for both current and future market phases. Our commitment to identifying and capitalising on opportunities across market caps, with a keen eye on long-term value, underscores our dedication to achieving superior returns for our clients," he said.

How do we construct your Portfolio?



INVasset's four distinct styles of investments are :

1. The Deep Discount Sale (Value Investing)

In this approach, we seek out industry leaders that have been unduly affected by market downturns, causing their stock prices to fall below their intrinsic value. Drawing inspiration from the methodology pioneered by Benjamin Graham, we aim to purchase these stocks at a bargain and sell them when their value surpasses the market's assessment.

2. The Trend Setters (Growth Investing)

When market momentum is strong and a clear long-term trend emerges, we focus on identifying companies that have recently experienced favorable tailwinds. By pinpointing these trend-setting companies, we anticipate their potential to lead the market for the next 12-18 months, capitalizing on their growth trajectory.

3. The Shining Stars (Quality Investing)

This is the current stage we are in. Recognizing scenarios where the market's risk-reward ratio may be unfavorable, we shift our attention to exceptional companies capable of sustaining growth regardless of prevailing market conditions. Our strategy revolves around identifying and investing in these shining stars, emphasizing quality and resilience in uncertain environments.

4. The Safety Shells

In times of market exuberance and unsustainable levels reminiscent of a bubble, we prioritize the protection of investor capital through hedged portfolios. By adopting a defensive stance, we aim to shield against downside risks and navigate through volatile market phases with a focus on capital preservation.

For the Complete Interview Click Here : <https://www.businesstoday.in/personal-finance/pms/story/invasset-llps-growth-pro-max-pms-scheme-climbs-128-in-fy24-fund-manager-shares-winning-mantra-426221-2024-04-20>



Value Emerging in IT but is Bearish on FMCG

Excerpts of the Interview of Mr. Anirudh Garg (Fund Manager, INVasset) with Money Control on 19th April, 2024

IT stocks are not anticipated to be the leaders in the forthcoming market rally but value is emerging in largecaps, says Anirudh Garg

Anirudh Garg, Partner and Fund Manager, Invasset PMS, is cautious on the FMCG sector due to high valuations and the significant growth it has seen over the past decade. He, however, sees value emerging in the largecap IT sector, which has taken a hit in recent times. He said “largecap IT companies possess robust business models that make them attractive, particularly when they enter a value-buying zone, as they are currently”, said Garg, who has 15 years of market experience and uses AI algorithmic models, said.

At Invasset PMS, we acknowledge that predicting geopolitical events, particularly wars, falls outside our expertise. However, drawing from over three decades of experience, we have observed that markets tend to hit a low point when faced with severe negative news. Based on this historical pattern, we believe that the market may soon reach a bottom, presenting a favourable opportunity for entry. It's important to note, though, that despite the current geopolitical uncertainties, our cautious stance on the markets is primarily due to high valuations rather than the potential for conflict. Investors should exercise caution and base their decisions on market valuations.

Money Control : Is it the right time to focus on and accumulate in FMCG space?

Anirudh Garg: We advise caution regarding the FMCG sector, which has seen significant growth over the last decade and currently stands at premium valuations. While defensive sectors like FMCG can serve as safe havens during corrections in a bull market, we do not anticipate that FMCG will lead the next bull run due to these valuation concerns. Additionally, while there has been a decline in premiumisation trends post-COVID, the expectation of a better monsoon could alleviate some input costs for the sector over the next two years, which is our primary focus period. Despite this potential relief, our outlook on the FMCG space remains moderately bearish.

MC : With experts talking of a potential 50 basis points cut in the Fed funds rate, what are your thoughts on inflation and its impact?

AG : Inflation certainly poses a significant concern in the current economic landscape. We are observing fresh bull runs in the metals sector, which could exacerbate inflationary pressures. Additionally, if the Iran-Israel conflict escalates, we could see a sharp spike in oil prices, further influencing inflation. We prioritise keeping abreast of the Federal Reserve's statements on inflation. Our experience has taught us that the Federal Reserve's assessments are crucial and typically accurate, and their commentary should be studied meticulously. Predicting against the Federal Reserve's assessments has often proven unproductive.

Can the Reserve Bank of India (RBI) maintain and hold inflation below 4 percent for a sustainable period?

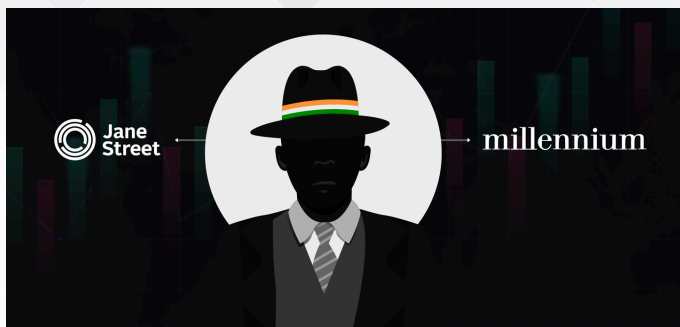
Among global central banks, the RBI has distinguished itself with its adept handling of inflation, particularly during the COVID period, when many of the inflationary challenges began. Unlike some Western central banks, the RBI refrained from implementing excessive stimulus measures, which helped shield India from the severe inflationary pressures experienced globally post-COVID. The RBI has also adeptly balanced growth, inflation, and currency stability through timely interventions. Holding inflation below 4 percent will largely depend on global commodity prices, as the situation now presents a level playing field internationally. We believe the RBI is unlikely to reduce interest rates before the Federal Reserve does, considering the potential pressure on the Indian rupee (INR). With India's growth trajectory appearing strong and barring any major political upheavals, we are confident that the RBI can maintain inflation around the 4 percent target.

MC : Is the risk-reward looking favourable for the consumer staple sector?

AG : Regarding the consumer staples sector, our approach mirrors our stance on the FMCG sector. We observe that valuations across the majority of the consumer staples sectors are cause for concern. The outcome of the monsoon season will be a significant determinant in shaping our future course of action. At present, we remain neutral — neither overly optimistic (bullish) nor pessimistic (bearish)— on consumer staples, as we continue to monitor these and other influencing factors closely.

MC : Is there value emerging in the largecap IT sector?

"Yes, we are seeing value emerging in the largecap IT sector. While we do not expect this sector to spearhead the next bull run, the largecap IT companies possess robust business models that make them attractive, particularly when they enter a value-buying zone, as they are currently. We believe that strategic investments in largecap IT can lead to significant alpha generation. However, it is crucial for investors to set clear targets, as these stocks are not anticipated to be the leaders in the forthcoming market rally.



“High Stakes and Trade Secrets - The Battle Between Jane Street and Millennium Capital”

The financial landscape of Wall Street recently witnessed a dramatic shift when two key traders departed from Jane Street—a leading force in derivatives and options trading—and joined forces with Millennium Capital, a rival fund. This pivotal move precipitated a shocking 50% plunge in Jane Street's revenues derived from its core trading strategies. In response, Jane Street filed a lawsuit against Millennium Capital, alleging theft of intellectual property, specifically accusing them of absconding with highly profitable trading strategies.

This legal skirmish highlights the fiercely competitive nature of the financial markets, where proprietary trading strategies are guarded as fiercely as the profits they generate. The exit of these crucial traders has sparked discussions about loyalty, the transfer of sensitive knowledge, and the fine line between maintaining a competitive edge and engaging in corporate espionage. Additionally, for retail investors, this event underscores the secretive and competitive dynamics that drive high finance, demonstrating how market fortunes can be influenced by individual movements as much as by market trends.

Amidst these high-profile corporate battles, the saga of Jane Street US emerges, exemplifying the potential and pitfalls of derivatives and options trading. The fund has been achieving staggering daily profits of approximately 30 crore rupees through aggressive trading tactics in Indian markets, a stark contrast to the dismal outcomes often faced by Indian retail investors in similar ventures.

Options, with their complex structures and significant leverage, can devastate retail investors who lack the sophisticated tools and deep understanding required to manage these risks effectively. Institutions like Jane Street, equipped with advanced algorithms, exhaustive research, and robust risk management frameworks, can exploit market volatilities in ways that are typically out of reach for the average trader.

This narrative starkly illustrates the imbalances within financial markets, where large institutional investors can leverage superior resources—information access, cutting-edge technology, and substantial capital—to maximize profits at the expense of smaller investors. Such disparities underscore the urgent need for stricter regulations and comprehensive education to equip retail investors against the risks posed by advanced financial instruments like options, ensuring a fairer trading environment for all participants.

Why INVasset PMS ?

55%
CAGR (approx)
for 4 Years

India's Best Performing
PMS for C.Y.2023

Book of the Month



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