

19th June, 2025

Dear Investors,

INVasset PMS: Discipline Through Cycles. Outperformance Through Time.

Since inception, INVasset has followed a structured approach to equity investing – one that acknowledges that markets are cyclical, not linear. Our capital allocation framework rotates dynamically across four defined phases:

Value → Growth → Quality → Safety

These transitions are driven by macro signals, valuation metrics, investor positioning, and sentiment extremes – not discretionary judgment. The discipline is embedded in process. It is executed without emotion, and refined continuously through experience. The objective is not to beat the BSE 500 TRI every quarter – it is to materially outperform across cycles, while consciously managing downside risk.

Stage-Based Performance (Jan 2020 – May 2025)

All returns are cumulative, based on month-end NAVs

Stage	Period	Duration	INVasset Return	BSE 500 TRI Return	Relative Return
Non-Growth	Jan 2020 – Jun 2020	6 months	-12.08%	-12.96%	0.88%
Growth	Jun 2020 – Jun 2021	12 months	127.71%	61.83%	65.88%
Non-Growth	Jun 2021 – Sep 2022	15 months	2.54%	12.06%	-9.52%
Growth	Sep 2022 – Sep 2024	24 months	133.25%	65.77%	67.48%
Non-Growth	Sep 2024 – May 2025	9 months	-7.72%*	-5.91%*	-1.81%
Growth	May 2025 – Present	Just started	1.24%	0.82%	Early stage

Returns are cumulative and based on end-of-month NAVs. Short-term performance is not predictive of stage outcome.

“In investing, what is comfortable is rarely profitable.” — Robert Arnott

The data is clear: when markets align with our Growth Stage filters, the portfolio compounds sharply. When they don't, we reduce risk and wait. This is not market timing. This is market structure discipline. From the beginning, I've been transparent with each of you:

- Commit to a minimum three-year horizon
- Expect post-fee returns of 1.5x to 2x the BSE 500 TRI over full cycles
- Accept drawdowns of up to 20% as part of the journey — they are features, not failures

And the results speak for themselves.

3-Year Rolling Returns (Jan 2023 – May 2025)

Month	INVasset 3Y Return	BSE 500 TRI 3Y Return	Times Outperformance
Jan 2023	84.87%	58.00%	1.46x
Mar 2023	152.15%	116.40%	1.31x
Jun 2023	169.23%	101.97%	1.66x
Aug 2023	207.48%	87.50%	2.37x
Jan 2024	238.16%	81.02%	2.94x
Mar 2024	157.02%	69.80%	2.25x
May 2024	124.73%	64.62%	1.93x
Sep 2024	136.83%	66.00%	2.07x
Jan 2025	141.92%	48.83%	2.91x
May 2025	141.98%	64.82%	2.19x

Short-term underperformance — especially in Non-Growth phases — is not a deviation. It is by design. For instance, investors who joined at the end of the Growth phase in June 2021 experienced a -15% return till June 2022, while the benchmark was flat. By June 2023, INVasset had returned +19% vs +24% for the index. But by June 2024 — the three-year mark — INVasset was +156% while the benchmark was +72%.

This is why I keep saying: we are a three-year strategy. That has been clearly communicated since day one. If the investing horizon is shorter than that, it limits the potential of any equity strategy — not just ours.

I, as a fund manager, am living and learning my journey every day. You, as investors, must live and own yours. That's something I cannot do on your behalf. I also acknowledge that one of the recent phases involved more churn than even I would have liked — and I'm actively working to reduce that going forward. Historically, churn in our portfolios tends to be low during Growth phases, where we prefer to let compounding work.

That said, if I find opportunities to book profits and re-enter the same high-conviction businesses at better levels, I will act decisively. This is not about being reactive — it is about staying aligned with market structure. **Between September 2024 and May 2025, I took the difficult call to move to 100% cash equivalents.** This was not an easy decision. If the market goes up in such a period, I'm answerable. But if the market corrects and your capital is protected — I make nothing. And that's exactly what happened. We did not charge a single rupee in management or performance fees while your capital was in liquid or arbitrage instruments. Very few fund managers take this stance. But I believe it's my responsibility to earn only when you earn.

That decision wasn't tactical. It was a reflection of our values: prudence, self-restraint, and always keeping your interest above all.

In an age of AI-generated content and excessive noise, it's easy to stay in front of clients through regular updates. But I'm not here to appear busy — I'm here to be accountable. We are long-term investors. Not much changes every few weeks. **That said, every major portfolio shift or structural transition will always be shared transparently. Every client is already part of a personalised WhatsApp group, and any question or meeting request with me is addressed within 24 hours.**

Going forward, I will also host quarterly concalls and write to you when I believe the environment demands perspective, not just updates. As of May 2025, the portfolio has transitioned back into a Growth Stage. Historically, these phases have lasted between 12 to 24 months, and contributed the bulk of long-term alpha. Early signs of participation breadth, valuation normalization, and sector rotation are in place. Positioning has been adjusted accordingly.

I am not here to forecast returns. I am here to position for them — ahead of them.

Where we are allocated today:

Defence: India's defence sector is entering a multiyear upcycle with rising export orders and indigenization push. Strong institutional inflows signal growing investor conviction in its long-term runway.

Stock Market Participants: The ongoing financialization of savings is creating a structural growth wave for exchanges, depositories, and brokers. Rising retail participation and SIP flows continue to expand their revenue base.

Phosphate Fertilizer Producers: Tight global supply is keeping prices firm. Simultaneously, India's strong sowing momentum and subsidy support boost domestic demand visibility.

Chemicals: After a prolonged destocking phase, niche segments like agrochemicals and fluorochemicals are showing pricing strength. China+1 tailwinds and global supply diversification add to the bullish outlook.

Public Capex (Railways & Power): The government's infra capex spree, especially in electrification and rail corridors, remains a key fiscal priority. Execution momentum is picking up across listed PSU and EPC names.

Private Capex (Power Equipment): A new energy cycle is kicking off, driven by renewable integration, grid expansion, and industrial demand. Players like TD Power and GE Vernova are well-placed to ride this capacity build-out.

Each of these sectors is showing positive relative change — where capital flows, sentiment, and fundamentals are improving ahead of the market. These are not bets. They are structured allocations within a disciplined framework.

INVasset is not designed to chase benchmarks every quarter. It is built to compound capital through cycles — with risk controls in place, and without compromising discipline. I do not adjust strategy to sentiment. I rotate capital based on structure.

"In the short run, the market is a voting machine; in the long run, it is a weighing machine." — Warren Buffett

This current environment, based on our framework, represents a weighing machine moment. I am prepared. The portfolio is aligned. And the process remains unchanged.

Warm regards,

Anirudh Garg
Fund Manager, INVasset PMS

Disclaimer: All performance metrics (including CAGR, drawdowns, and any alpha over benchmarks) shown in this presentation are based on historical data. Past performance is not indicative of future results, and future returns may vary significantly. Any returns or targets mentioned are internal, illustrative goals and are not guaranteed. The names of stocks mentioned, if any, are solely for educational and illustrative purposes and should not be construed as buy or sell recommendations. The portfolio data presented is based on model portfolios or representative accounts and may not reflect individual investor performance. Returns are post-fees and calculated using the Time Weighted Rate of Return (TWRR) method in line with SEBI guidelines. The S&P BSE is the designated benchmark. SEBI Registration No INP000006907. Investors should consult their financial advisor before making any decision.