Investors’ deck

buoyant opportunities strategy

January 2024

The elements that define buoyant.

investing through cycles

buoyant

the eight elements that matter

Track record
CAGR 22.8%

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 investment 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.

Capital mindset

Jigar Mistry

B.Com, ACA, CFA – AIMR, US.

Experience: 21 years

Prior: Director of Research, HSBC

Others: Kotak Goldman Sachs

Sachin Khivasara

B.Com, ACA, CWA.

Experience: 23 years

Prior: Analyst, Nipon Mutual Fund

Others: Edelweiss, Enam

Viral Berawala

B.Com, ACA, PG – IIM-A

Experience: 22 years

Prior: CIO, Reliance Life Ins

Others: Reliance MF, TCS

Dipen Sheth

B.Tech, IIT-K, PG – IIM-C.

Experience: 30 years

Prior: Head - Equities, HDFC Sec

Others: Edelweiss, BRICS

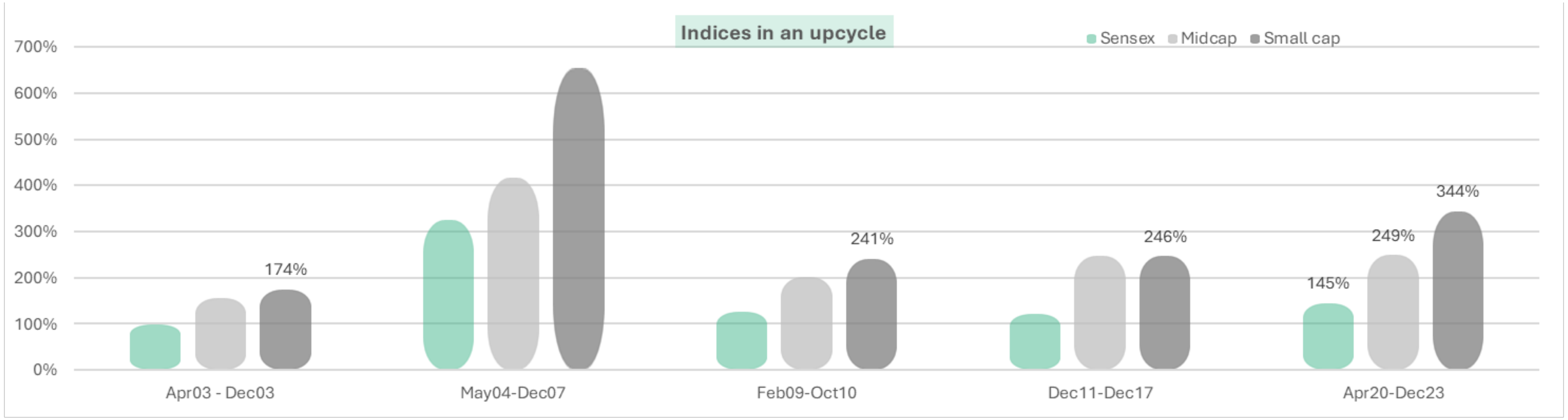
Everything of consequence operates in cycles.

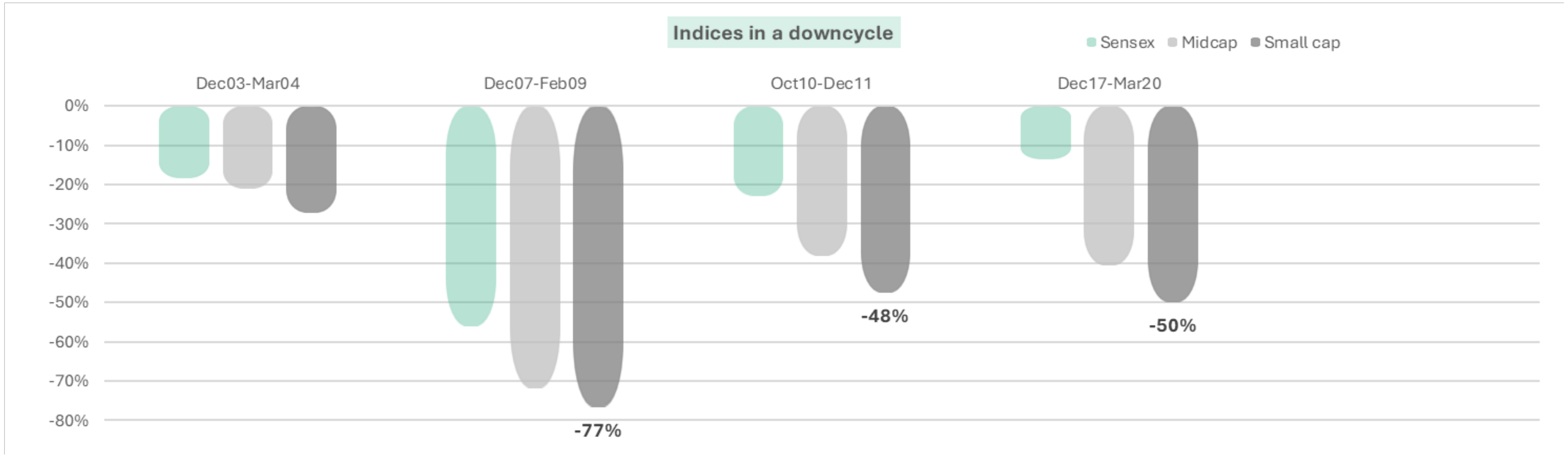
buoyant strategy showcase

Cross cycle investing in theory

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

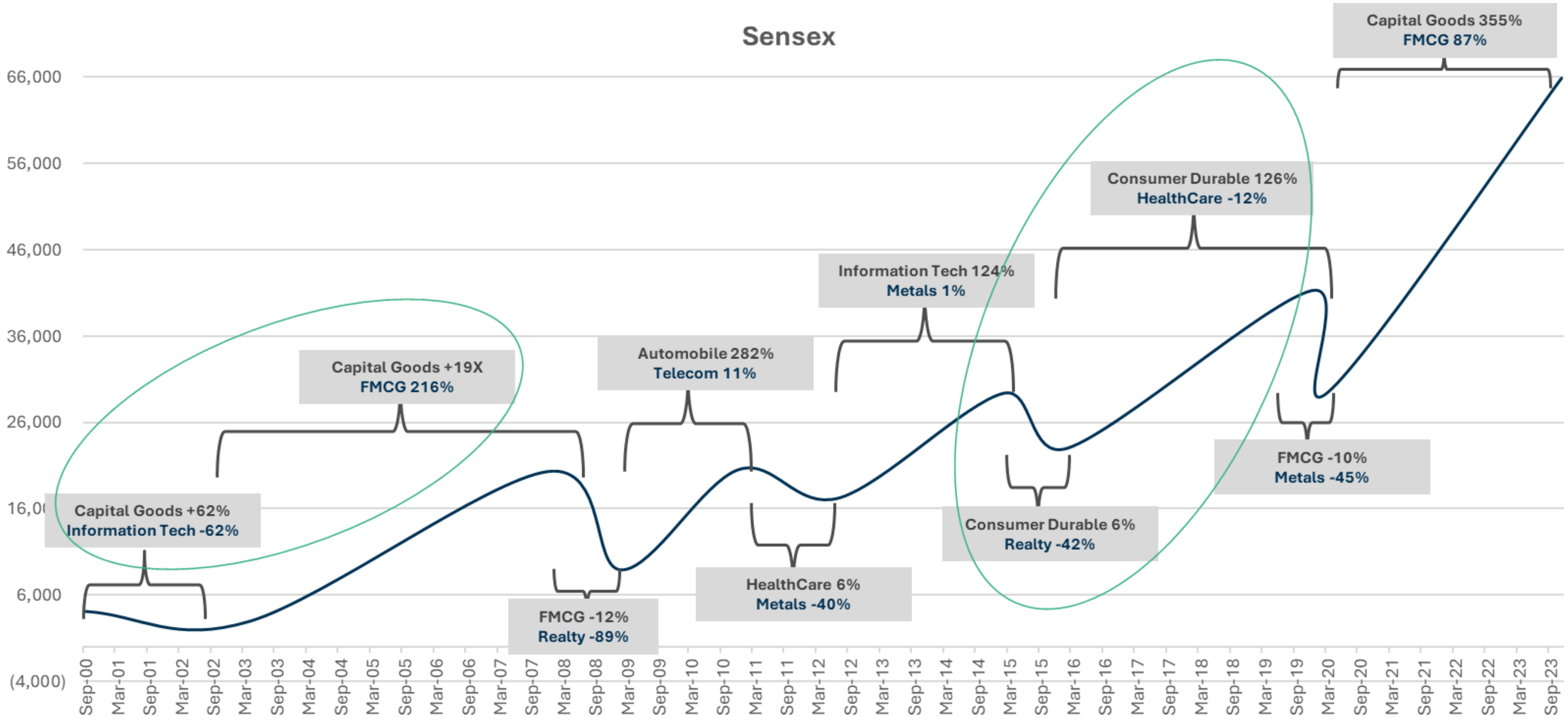
Market-caps operate in a cycle





"consumption" today is what "capital goods" was yesterday

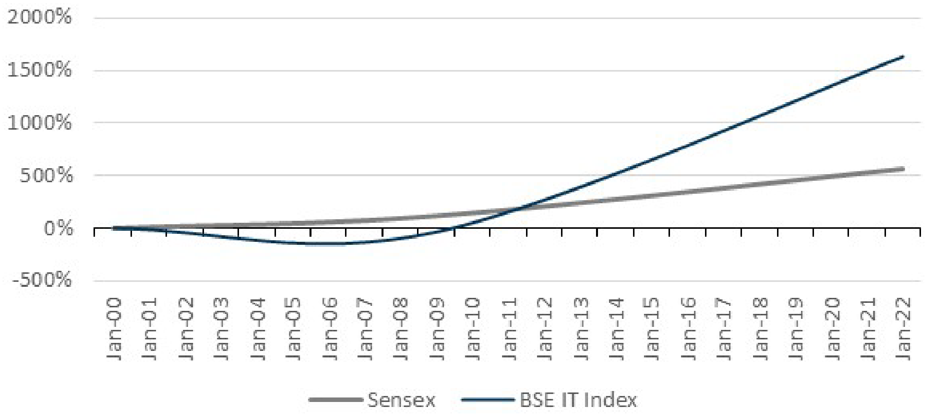
sectors operate in a cycle



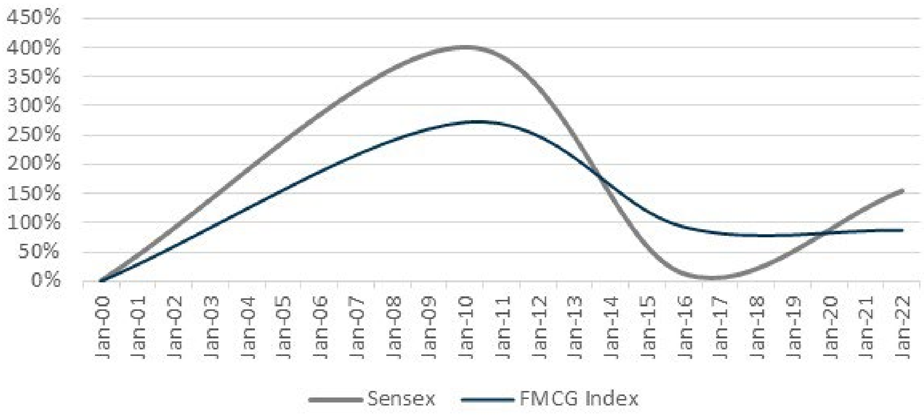
IT, FMCG, and automobiles – all follow cycles

and not just sectors we know are cyclical

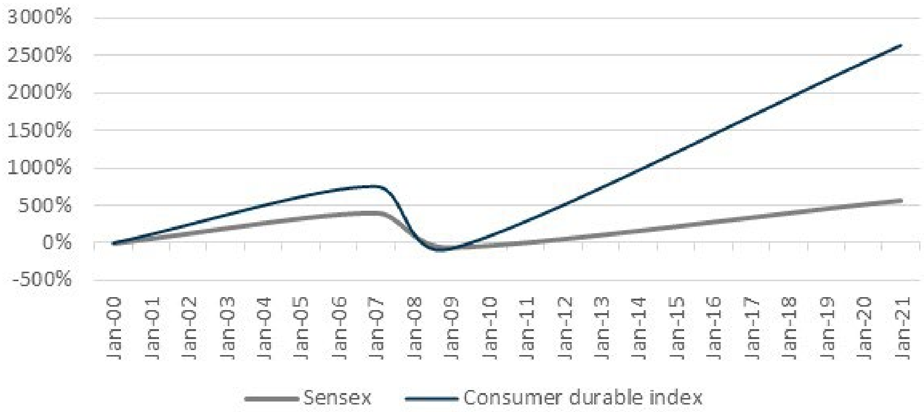
IT Index normalized performance



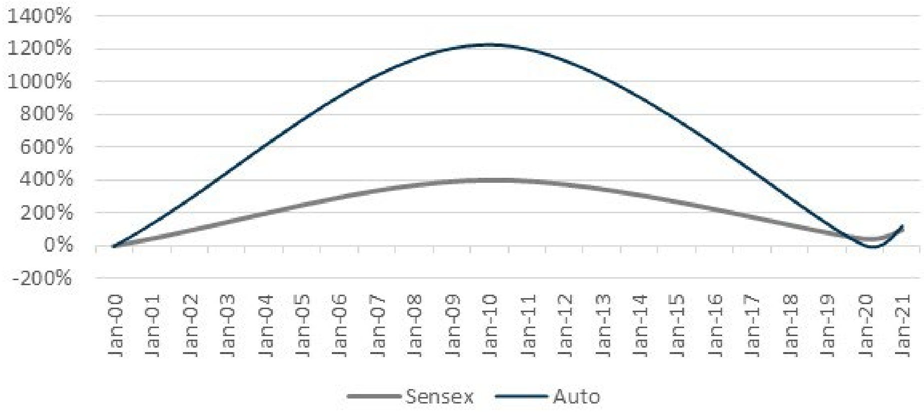
FMCG Index normalized performance



Consumer Durables normalized performance

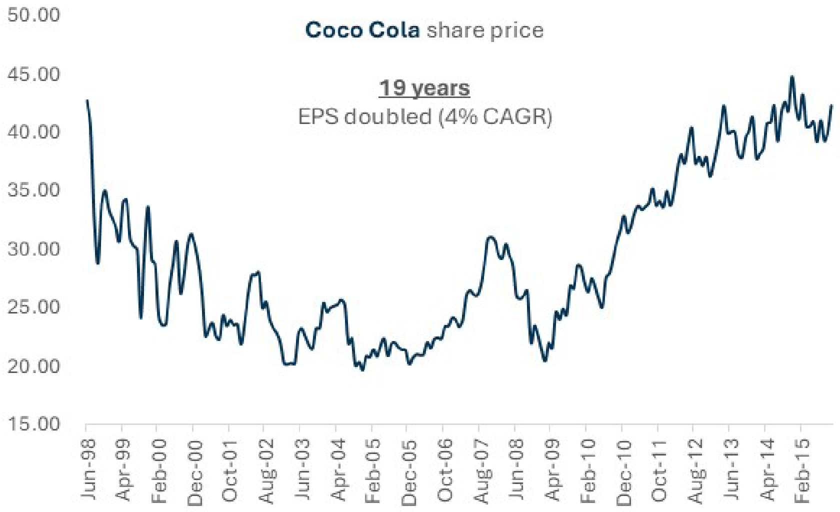


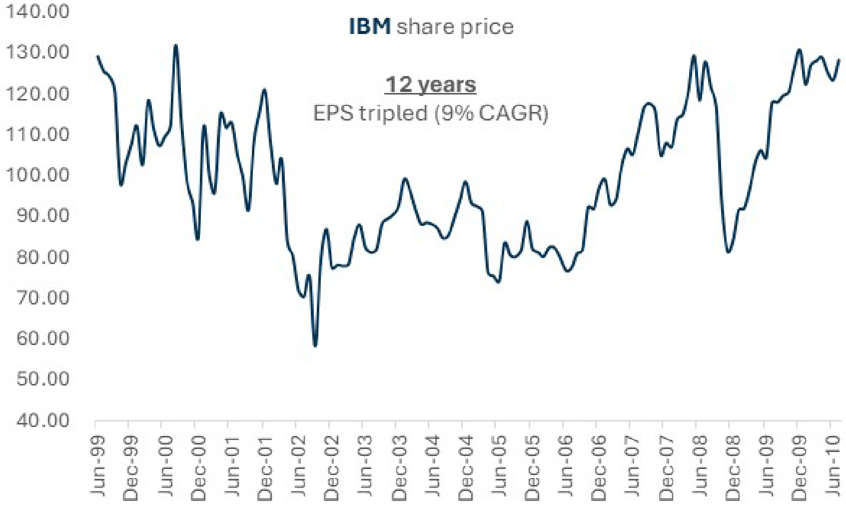
Automobiles normalized performance

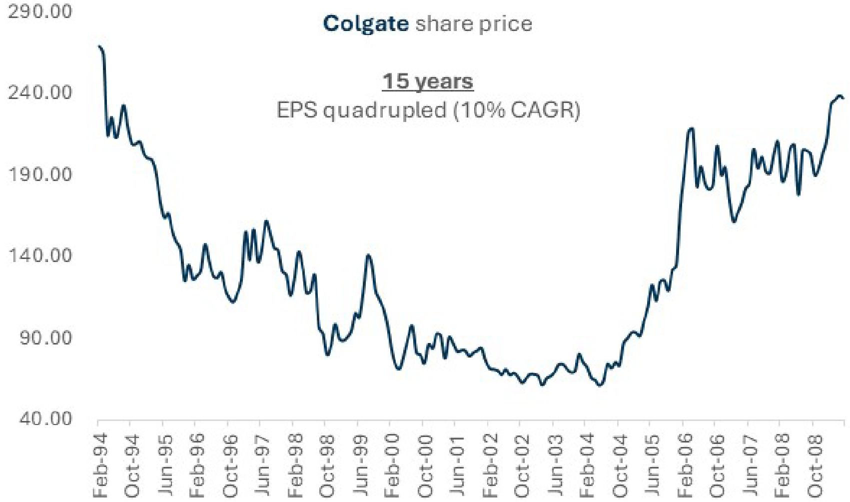


A good company is different from a good investment

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

Portfolio construction

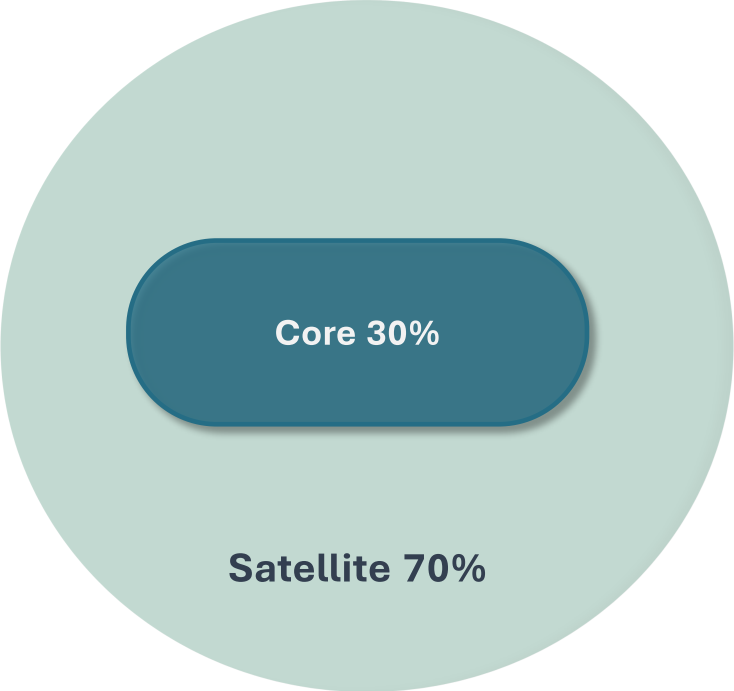
core and satellite vertical

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

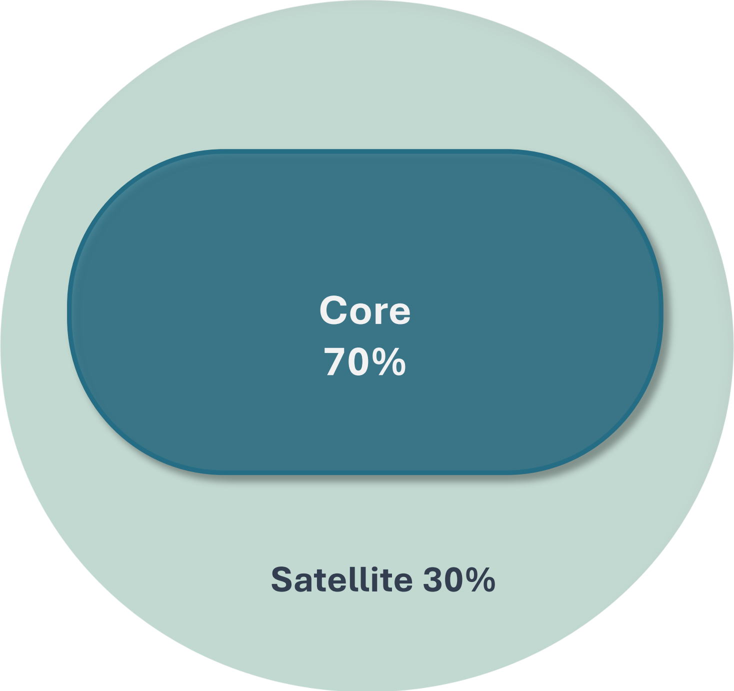
aggressive and defensive cycles

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

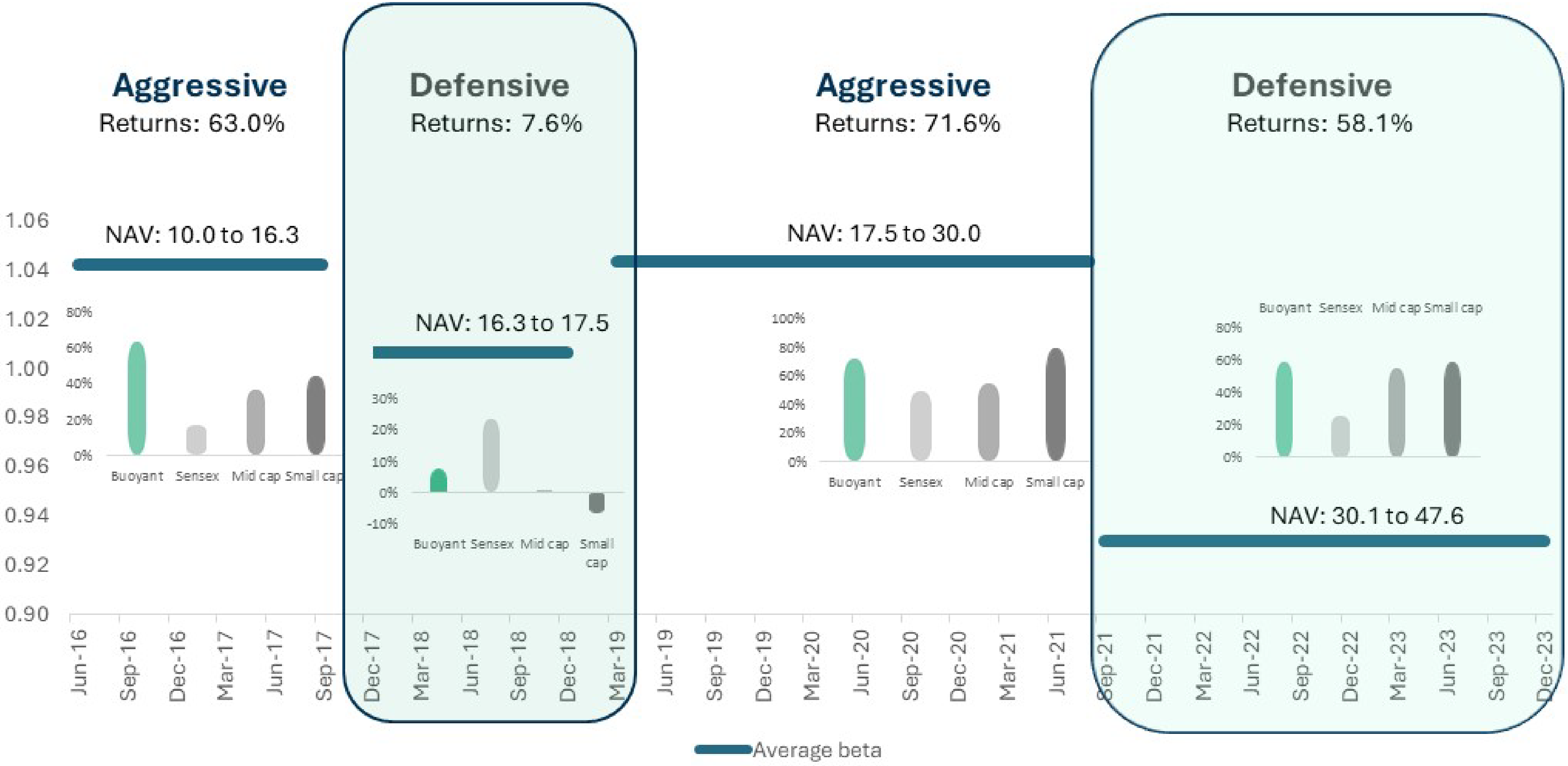
since June 2016

returns breakdown relative weights and returns

strategy-wise returns

returns breakdown: aggressive vs defensive returns

time-wise returns



when aggressive versus defensive

When Defensive?	When Aggressive?
Reverse DCF upsides not comfortable for many sectors	**Reverse DCF** assumes low growth, high cost of capital, low TV
Inverted pyramid Valuations: Small Cap > Mid Cap > Large cap	**Quality at any price** Valuations: don't matter; just buy 'Quality'
Other factors Dramatic increase in stock market interest Justification moves relative Alpha generation becomes too easy	**Other factors** Dramatic drop in new offerings Herd mentality in behaviour Management throws in the proverbial towel

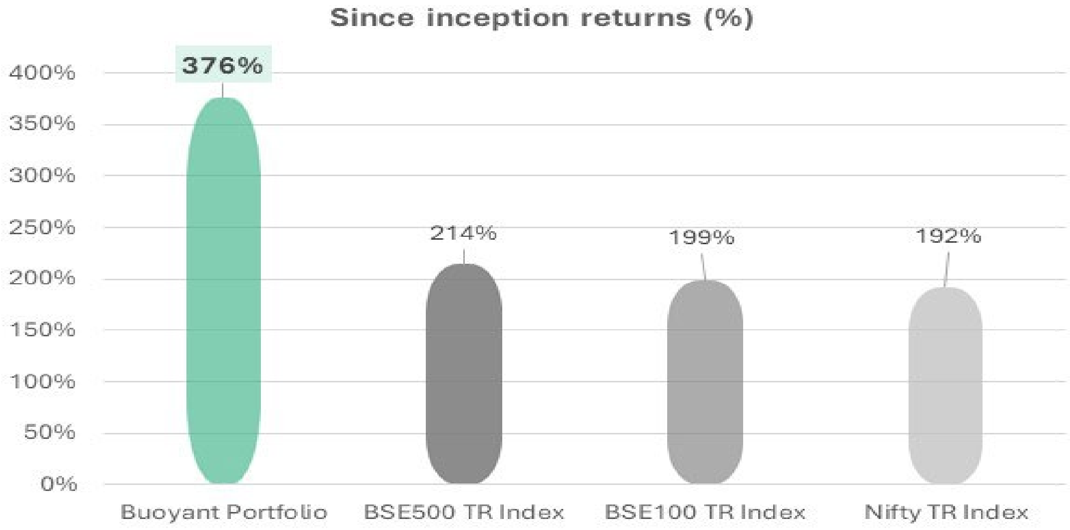
as of 31 December 2023

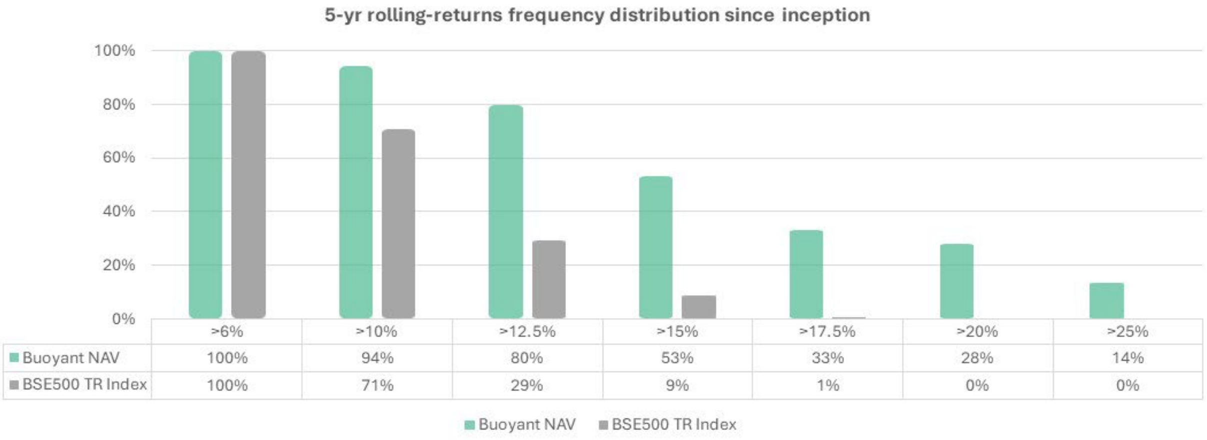
resulting in superior returns

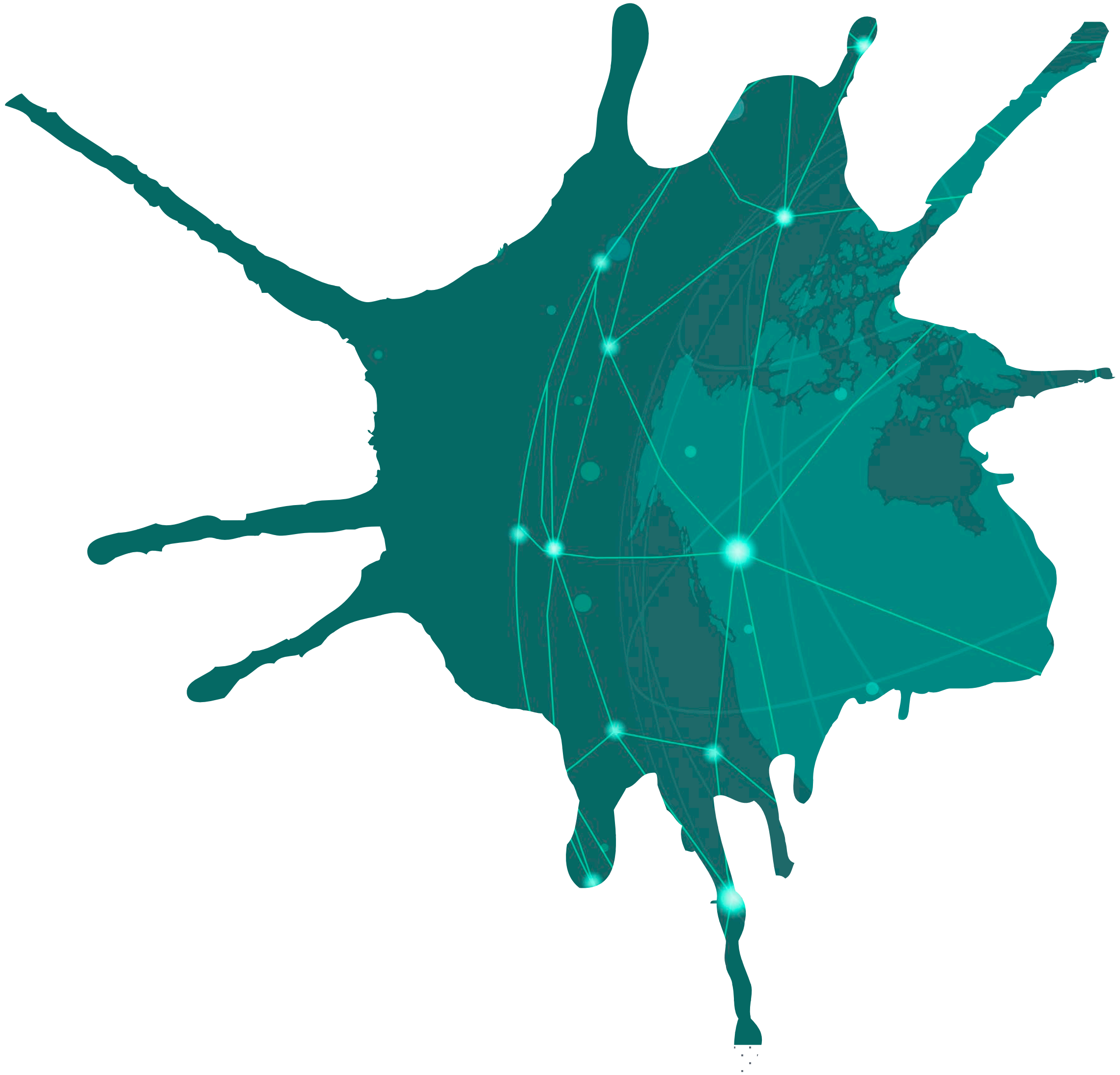
	As of	31-Dec-2023			
	Total returns (%)	**Buoyant Portfolio***	**BSE500 TR Index**	**BSE100 TR Index**	**NIFTY TR Index**
Annualized	Inception (Jun-16 to date)	**22.8%**	16.3%	15.6%	15.2%
	Five years	**23.6%**	17.6%	16.5%	16.2%
	Three years	**34.1%**	20.4%	18.2%	17.2%
	Two years	**19.5%**	15.1%	14.3%	13.2%
Absolute	One year	**38.5%**	26.5%	23.2%	21.3%
	Six months	**17.4%**	18.5%	15.1%	13.8%
	Three months	**6.7%**	12.4%	11.5%	10.9%
	One month	**2.8%**	8.0%	8.1%	7.9%

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)	2.74	0.78	1.67
Jensen's alpha (%)	19.63	5.22	14.65
Information ratio (X)	1.23	0.48	1.31
Standard deviation (%)	11.42	15.71	16.51
R-squared (X)	0.46	0.67	0.60
Beta of portfolio (X)	0.60	0.89	0.93
Sortino ratio (X)	8.63	1.42	3.59







Communication is the key.

we communicate effectively

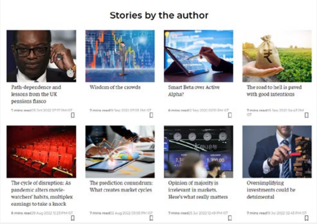
Reducing the difference between “fund returns” and “investor returns” is a critical part of our endeavor

Reduce the difference between fund returns and investor returns

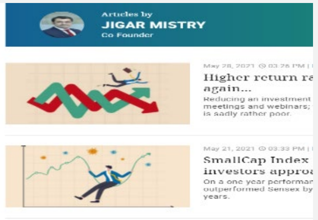
communication is the key

Daily	Weekly	Monthly	Quarterly	Annual
Entire portfolio NAV report	Thought-provoking analysis	Detailed portfolio Factsheet	Detailed portfolio analysis	Taxation reports Audited reports

- **Published articles**
  - **Economic Times** (click here)



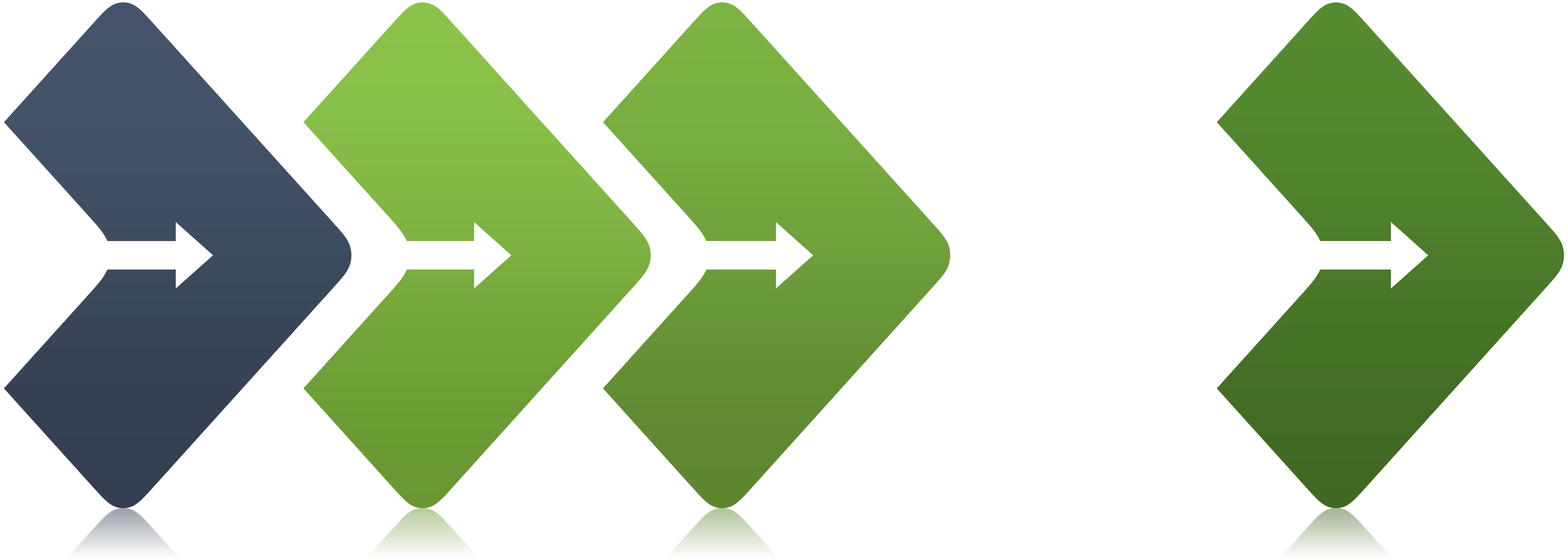
  - **CNBC** (click here)



- **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-erm returns

stay updated

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Same strategy, different vehicle

Also as open-ended cat-III AIF

new vehicle for investors to participate

no lock-in, no set-up fees

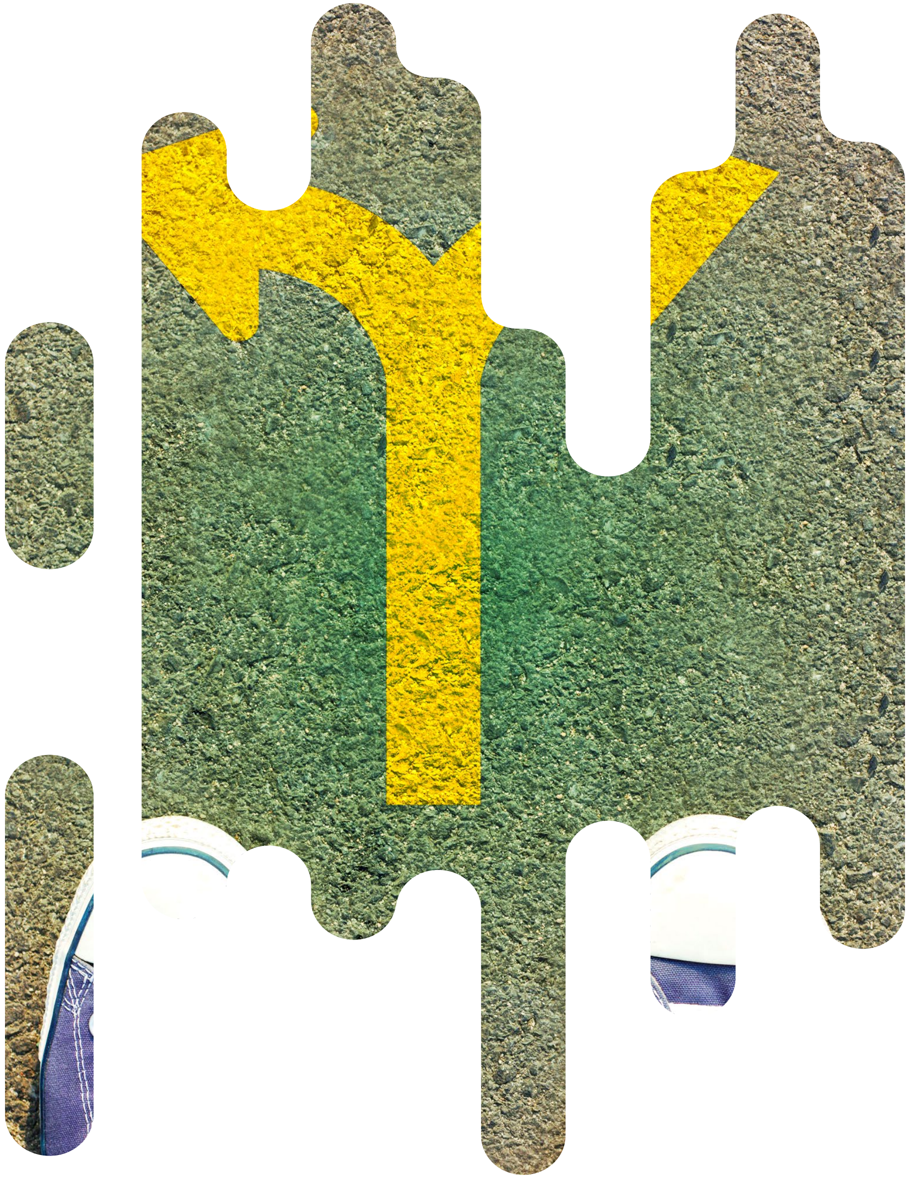
free to withdraw at the end of every month

There are areas where AIF is better.

why alternatives, why AIF?

Alternatives score over traditional vehicles

AIF is better than PMS in a few areas



Alternatives score over traditionals

why alternatives

Secure

SEBI registered

registered with SEBI, appoint custodians, and regularly report data

Institutional imperative

No HQ directions

execute announced strategies – no direction other than investors' interest

Smaller size

No liquidity troubles

The large size of traditional vehicles makes them less nimble

Better communication

Frequent strategy updates

Takes WHEN to invest question away – frequent updates help

No index hugging

Only buy stocks we want

Only buy the stocks that fit the strategy

Better execution

Model or non-model portfolio

Takes the question of WHEN to invest away –run as "managed account"

AIFs are better in certain aspects

where AIF scores over PMS

A trust structure versus managed account

NO LOCK-IN

Open-ended structure

Investors will be free to withdraw at the end of every month. Unlike close-ended schemes, there is no lock-in

QUALIFIED INSTITUTION

Can participate in OFS / QIP / IPO

Qualified institutions are allowed to participate in a few instances where PMS cannot participate

TAXATION

Post-tax distribution

No need to maintain in-depth taxation records. AIF is taxed as an AOP, and distribution is tax-free in hands of investors

TRUST STRUCTURE

Shares held in a trust

Shares are not held in individual names, unlike a PMS. Compliance departments of banks, lawyers are happier with a trust structure as of 31 December 2023

resulting in superior returns - AIF

As of	31-Dec-2023			
Total returns (%)	**Buoyant Portfolio***	**BSE500 TR Index**	**BSE100 TR Index**	**NIFTY TR Index**
Inception (Nov-22 to date)	32.4%	25.7%	22.0%	20.0%
One year	30.9%	26.5%	23.2%	21.3%
Six Month	13.9%	18.5%	15.1%	13.8%
Three month	6.3%	12.4%	11.5%	10.9%
One month	2.1%	8.0%	8.1%	7.9%

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

Please refer to this presentation with disclaimers

thank you

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info@buoyantcap.com

appendices

Best vehicle to hedge against inflation

why equities in the first place?

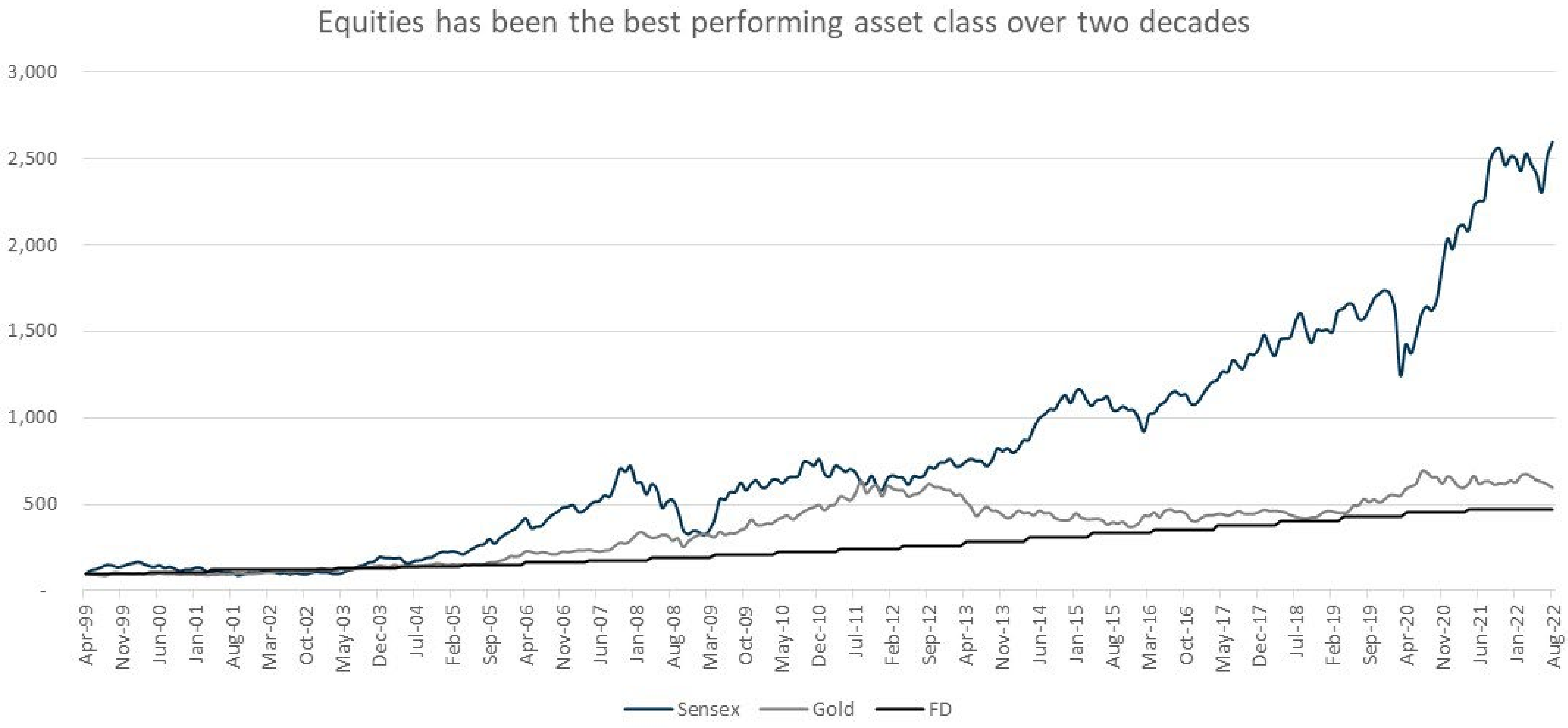
equities have outperformed over long periods

provided we can stomach the drawdowns

which can be sharp on occasion

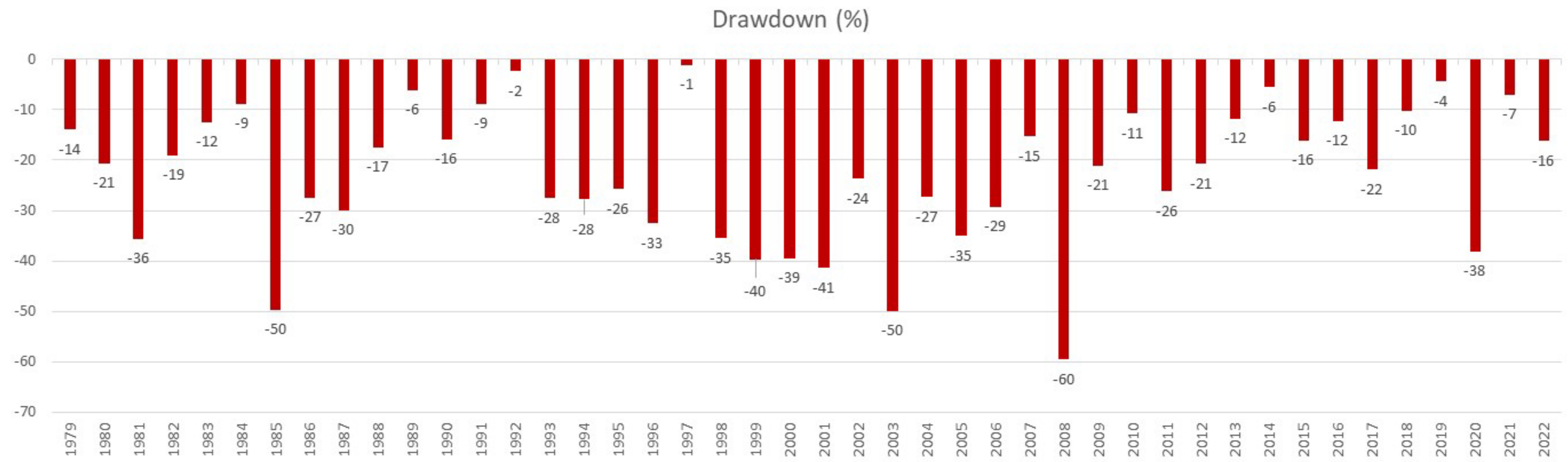
Bank FD: 5X, Gold: 6X, Equities: 26X

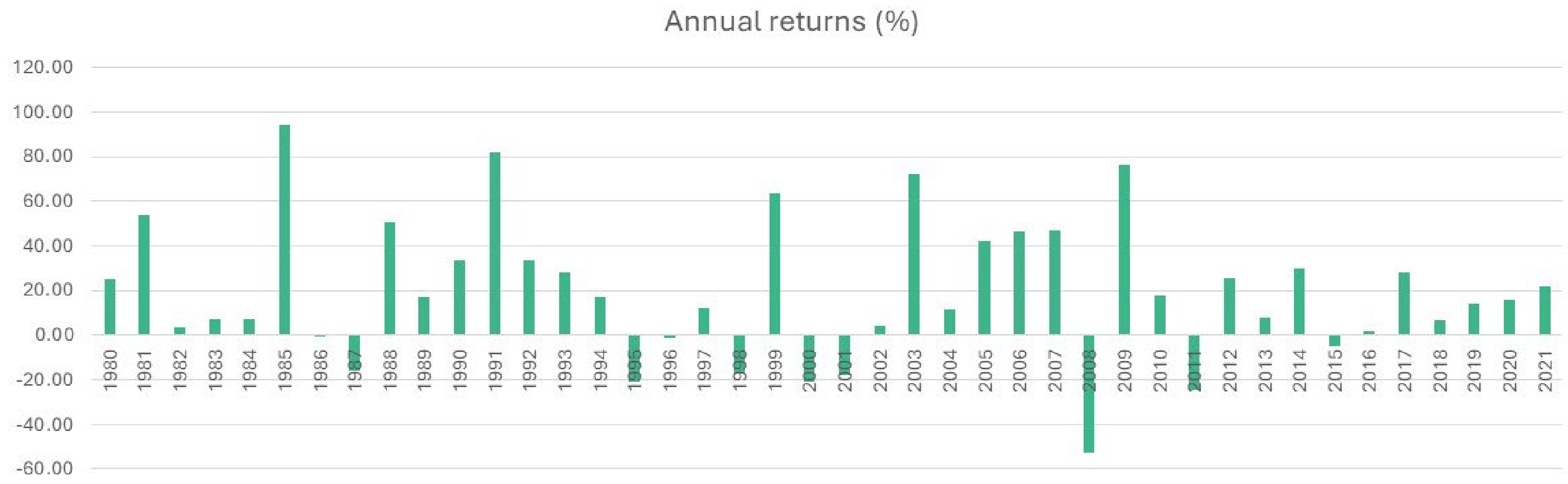
why equities?



And volatility each year can be large

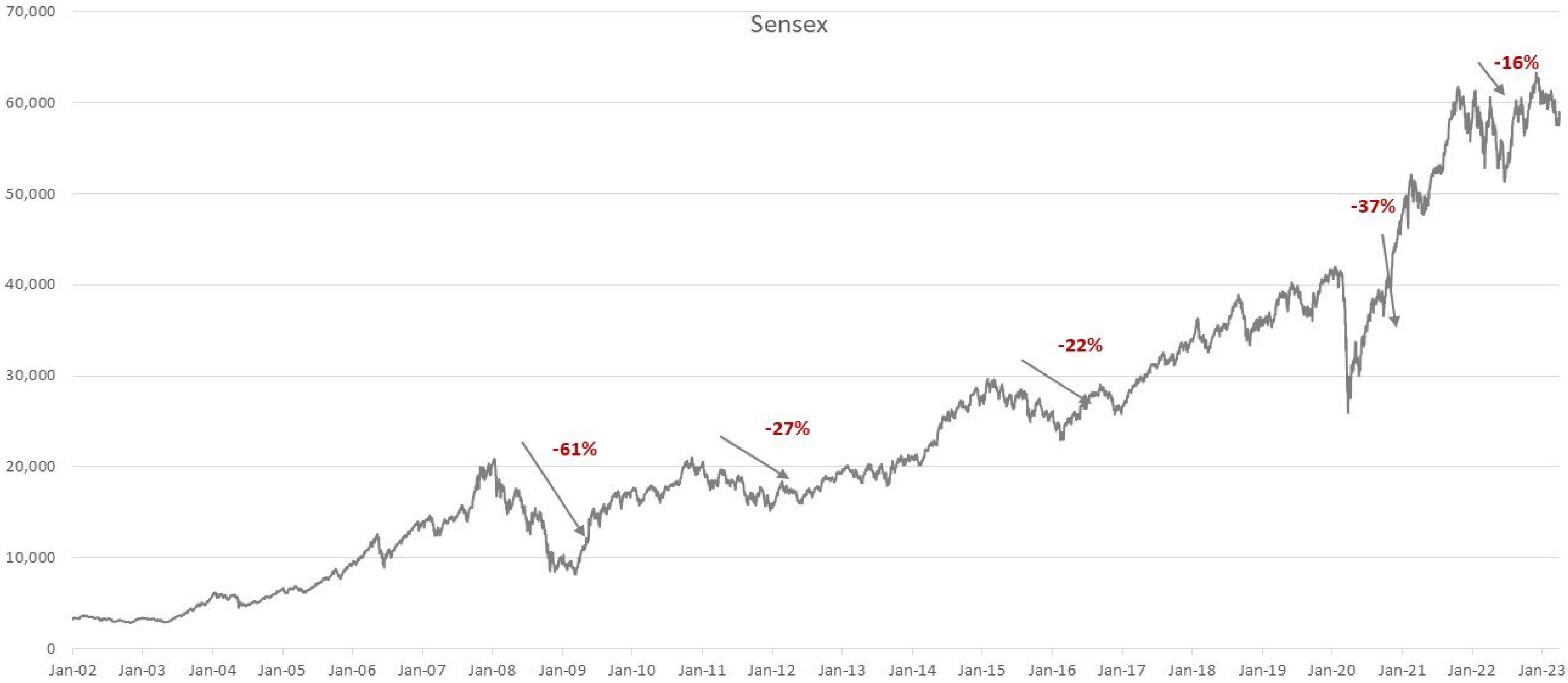
provided we can stomach the volatility





Drawdowns can be large

but returns make up for it



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’?

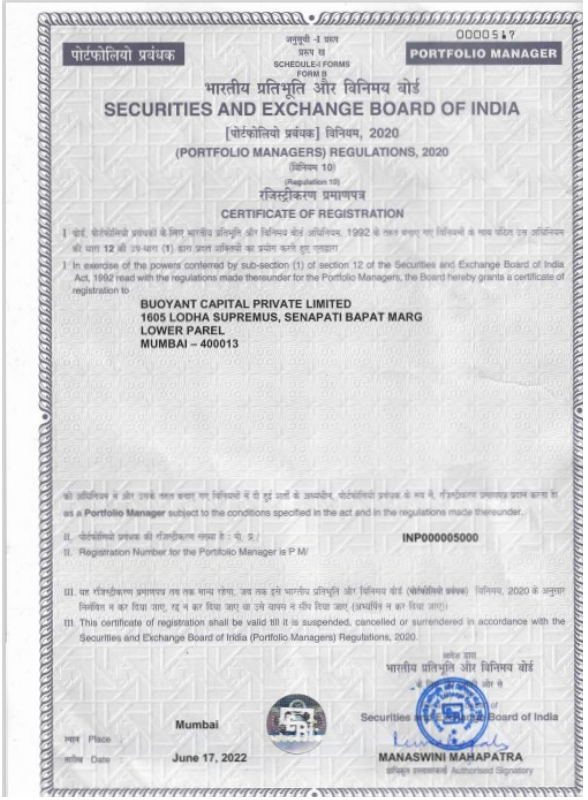
For two reasons. One, it is not so much as we want to highlight ‘a’, as much as our belief that everything operates in cycles. Within cycles, there is a reversion to mean - and the green within ‘B’ of buoyant must recur somewhere. It could have been ‘y’ or ‘a’ or ‘n’. Which character is not as important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

Across alternatives space

buoyant licenses


पोर्टफोलियो प्रबंधक

PORTFOLIO MANAGER

SCHEDULE-I FORMS

FORM B

भारतीय प्रतिभूति और विनिमय बोर्ड

SECURITIES AND EXCHANGE BOARD OF INDIA

(PORTFOLIO MANAGERS) REGULATIONS, 2020

CERTIFICATE OF REGISTRATION

I. In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992 read with the regulations made thereunder for the Portfolio Managers, the Board hereby grants a certificate of registration to

BUOYANT CAPITAL PRIVATE LIMITED
1605 LODHA SUPREMUS, SENAPATI BAPAT MARG
LOWER PAREL
MUMBAI – 400013

as a Portfolio Manager subject to the conditions specified in the act and in the regulations made thereunder.

II. Registration Number for the Portfolio Manager is P.M/ INP000005000

III. This certificate of registration shall be valid till it is suspended, cancelled or surrendered in accordance with the Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020.

भारतीय प्रतिभूति और विनिमय बोर्ड

Securities and Exchange Board of India

Place Mumbai

Date June 17, 2022

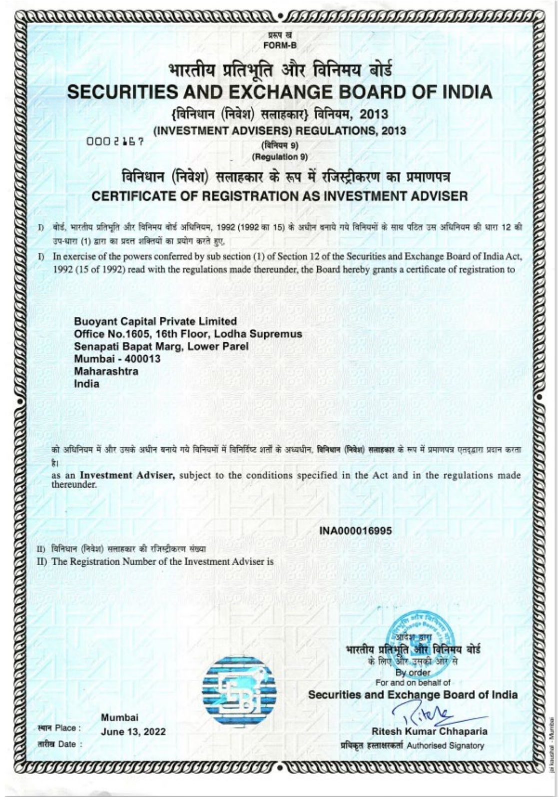
MANASWINI MAHAPATRA

Authorised Signatory

Portfolio Management Services (PMS)

Registration no: INP000005000

Validity: Perpetual


FORM-B

भारतीय प्रतिभूति और विनिमय बोर्ड

SECURITIES AND EXCHANGE BOARD OF INDIA

(INVESTMENT ADVISERS) REGULATIONS, 2013

(Regulation 9)

CERTIFICATE OF REGISTRATION AS INVESTMENT ADVISER

I) In exercise of the powers conferred by sub section (1) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with the regulations made thereunder, the Board hereby grants a certificate of registration to

Buoyant Capital Private Limited
Office No.1605, 16th Floor, Lodha Supremus
Senapati Bapat Marg, Lower Parel
Mumbai - 400013
Maharashtra
India

as an Investment Adviser, subject to the conditions specified in the Act and in the regulations made thereunder.

II) The Registration Number of the Investment Adviser is INA000016995

By order

For and on behalf of

Securities and Exchange Board of India

Place : Mumbai

Date : June 13, 2022

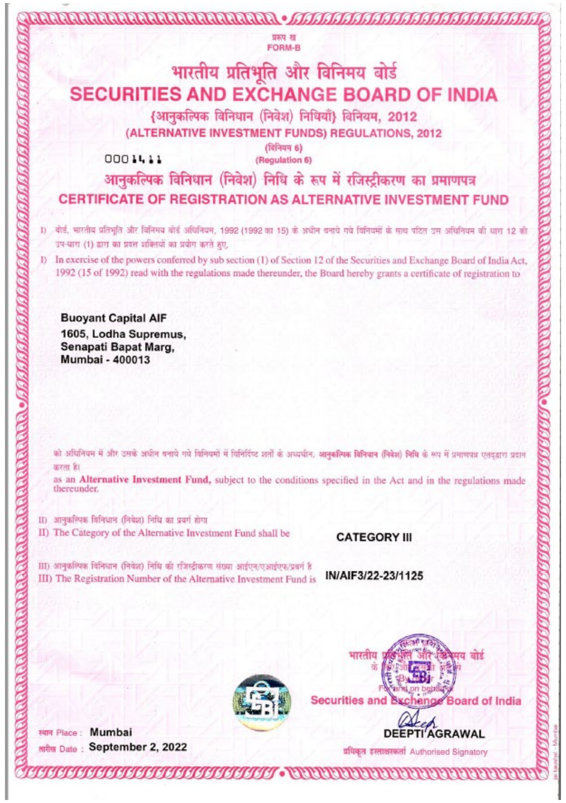
Ritesh Kumar Chhaparia

Authorised Signatory

Registered Investment Advisory (RIA)

Registration no: INA000016995

Validity: Perpetual


FORM-B

भारतीय प्रतिभूति और विनिमय बोर्ड

SECURITIES AND EXCHANGE BOARD OF INDIA

(ALTERNATIVE INVESTMENT FUNDS) REGULATIONS, 2012

(Regulation 6)

CERTIFICATE OF REGISTRATION AS ALTERNATIVE INVESTMENT FUND

I) In exercise of the powers conferred by sub section (1) of Section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with the regulations made thereunder, the Board hereby grants a certificate of registration to

Buoyant Capital AIF
1605, Lodha Supremus,
Senapati Bapat Marg,
Mumbai - 400013

as an Alternative Investment Fund, subject to the conditions specified in the Act and in the regulations made thereunder.

II) The Category of the Alternative Investment Fund shall be CATEGORY III

III) The Registration Number of the Alternative Investment Fund is IN/AIF3/22-23/1125

Securities and Exchange Board of India

Place Mumbai

Date September 2, 2022

DEEPTI AGRAWAL

Authorised Signatory

Alternative Investment Funds (AIF)

Registration no: IN/AIF3/22-23/1125

Validity: Perpetual

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.

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