



# Ampersand Growth Opportunities Fund Scheme – 1

FUND UPDATE: March 2024

## Fund objective and strategy

Ampersand Growth Opportunities Fund Scheme-1 (AGOFS) seeks to generate long term capital appreciation by investing in a portfolio of listed equity and equity related securities. AGOFS will follow a multi-cap strategy focusing on investment opportunities across the growth themes with a typical portfolio of 30-35 stocks.

## Fund facts

Fund Size	Inception Date	Unit NAV	Unit Face Value	Benchmark	Category
INR 535.2cr	25 SEP 2017	INR 368.3	INR 100	S&P BSE 500	Multi-cap

## Fund Performance: Marginal cut in volatile markets

Ampersand NAV declined -0.4% in March, and the mild contraction was mainly due to final and annual tax instalment. And this was despite reasonable exposure to small/mid-caps, which faced sharper cuts in the respective indices.

Since inception, our fund has delivered 22.1% CAGR, well ahead of all major indices.

Table 1: Fund and Market Performance

Returns	1 Month	3 Months	6 Months	1 Year	3 Year CAGR	5 Year CAGR	Inception CAGR
AGOFS NAV	-0.4%	11.4%	29.0%	70.8%	32.1%	26.4%	22.1%
BSE 500	0.8%	4.3%	16.9%	38.4%	17.8%	15.9%	13.7%
Nifty 50	1.6%	2.7%	13.7%	28.6%	15.0%	13.9%	13.2%
Nifty Midcap 100	-0.7%	4.1%	18.6%	60.1%	26.6%	21.6%	15.9%
<b>AGOFS NAV*</b>							<b>368.3</b>

\* NAV (post expenses & taxes paid till date), Class & Series-wise NAV may differ

Table 2: Portfolio Metrics

Valuation		Risk	
PE	40.54	Standard Deviation *	18.45
PB	10.92	Beta	0.88
ROCE *	21.05	Sharpe Ratio	1.18

PE, PB & ROCE calculated based on FY24 estimated values. \*ROCE for portfolio is calculated ex-financials.

\*Annualised standard deviation of returns has been calculated.



# Ampersand Growth Opportunities Fund Scheme – 1

**FUND UPDATE: March 2024**

## Core holdings underwent couple of alterations

Our Top-5/10 holdings account for ~22% and ~39% of corpus respectively, similar to the end of previous month. This core holdings list has undergone a couple of alterations compared to previous month, due to trimming in Sonata (rallied well ahead of our medium-term expectations) and Neuland Labs (stock price correction), being replaced by L&T and Zomato (both due to increase in exposure and relative outperformance).

**Table 3: Top Holdings**

Company	% Weight	Company	% Weight
ICICI Bank	5.6%	Cummins India	3.7%
Schneider Electric	4.8%	Larsen and Toubro	3.4%
Trent	4.6%	REC	3.3%
Jupiter Wagons	3.8%	Zomato	3.2%
Varun Beverages	3.8%	TARC	3.1%
<b>Top 5</b>	<b>22.7%</b>	<b>Top 10</b>	<b>39.3%</b>

## Engineering & Capital Goods exposure raised further, minor shift to larger names

Our sector-wise allocation within the portfolio too has undergone alterations, notably ~200bps increase in the already preferred space of Engineering & Capital goods, and a similar decrease in IT services (due to exiting of CE Infosystems). Ranking of exposures to other sectors has remained largely similar to previous month, with some tweaking of positions.

Our weights related to market cap classification witnessed further reduction in small caps (due to trimming of exposure in couple of names as well as total exit of CE Infosystems). Large cap exposure similarly increased due to Zomato and L&T.

Our cash and equivalents rose to ~5% (previous month ~4%) due to new subscriptions.

As on Mar 31, 2024, our fund consists of 34 stocks, which reflects 1 exit.

**Table 4: Market Cap Classification**

**Table 5: Sectoral Allocation**

Market Cap	% Weight	Sector	% Weight
< INR 10,000cr	19.0	Engineering & Capital Goods	27.9
INR 10,000-50,000cr	32.9	Consumer (Goods & Services)	18.8
INR 50,000-100,000cr	16.9	Financial Services	13.9
>INR 100,000cr	26.2	Pharma & Healthcare	10.9
Cash & Cash Equivalents	5.0	Real Estate	9.0
		IT Services	7.3
<b>Weighted Avg. Market Cap (Rs bn)</b>	<b>1,230.8</b>	Others*	7.2

\*Includes Auto, E-Commerce, Metal and Mining



# Ampersand Growth Opportunities Fund Scheme – 1

## FUND UPDATE: March 2024

### Mid/Small cap volatility didn't hurt us as much

Mid and small cap indices fared relatively poorly during the month, but our fund stood out with winners such as Cummins, Schneider, Zen Technologies. Some names however witnessed corrective pull back after solid gains earlier (Inox Wind, TARC, Neuland).

**Table 6: Key Movers**

Performers	% Return	% Weight	Laggards	% Return	% Weight
Schneider Electric	16.3%	4.8%	Inox Wind	-13.5%	2.4%
Oracle Financial Services	14.4%	3.1%	TARC	-12.7%	3.1%
Zen Technologies	10.5%	3.0%	Neuland Laboratories	-11.7%	2.8%
Zomato	10.1%	3.2%	Orchid Pharma	-11.6%	2.4%
Cummins India	9.8%	3.7%	MCX	-11.0%	2.5%

Note: Average weight used when stocks are bought/sold during the month

### Autos and Realty stood out, while FMCG and IT lagged

Sector-wise, Auto and Realty did well while FMCG and IT fared poorly during the month under review.

We mirrored market performance in large caps, but stock specific moves within mid/small caps dictated our performance. Several stocks dragged us down which was understandable given how well some of them had fared earlier, but quite a few managed to maintain momentum and contributed positively.

### We exited one name

We have exited our holding in CE Infosystems as the company's growth has panned out as per our expectations.

**Table 7: Key Portfolio Changes**

Company	% Weight Increase	Company	% Weight Decrease
Larsen and Toubro	121 bps	CE Info**	(197 bps)
Zen Technologies	69 bps	Sonata Software	(62 bps)
Oracle Financial Services	64 bps	Tata Elxsi	(55 bps)

Note: \* New Buy, \*\* Complete Exit

### Key events to dictate market trends

The month under review was a period of two halves for our stock markets. Initially, market sentiment turned negative as the market regulator displayed concerns over excessive speculation in the small and mid-cap universe. Mutual Funds had to undergo a stress test to assess the risk.

However, a surprising dovish stance of the US Fed chair in mid-March had a positive fallout on global equities, including our markets. So mid/small cap indices partially recovered from the acute underperformance of the initial half.

On the domestic front, schedules for general elections were announced towards the month end. Markets are likely to remain volatile in the run up to the elections. RBI credit policy, results season and monsoon forecasts could also have significant bearing on market behaviour in the coming weeks.



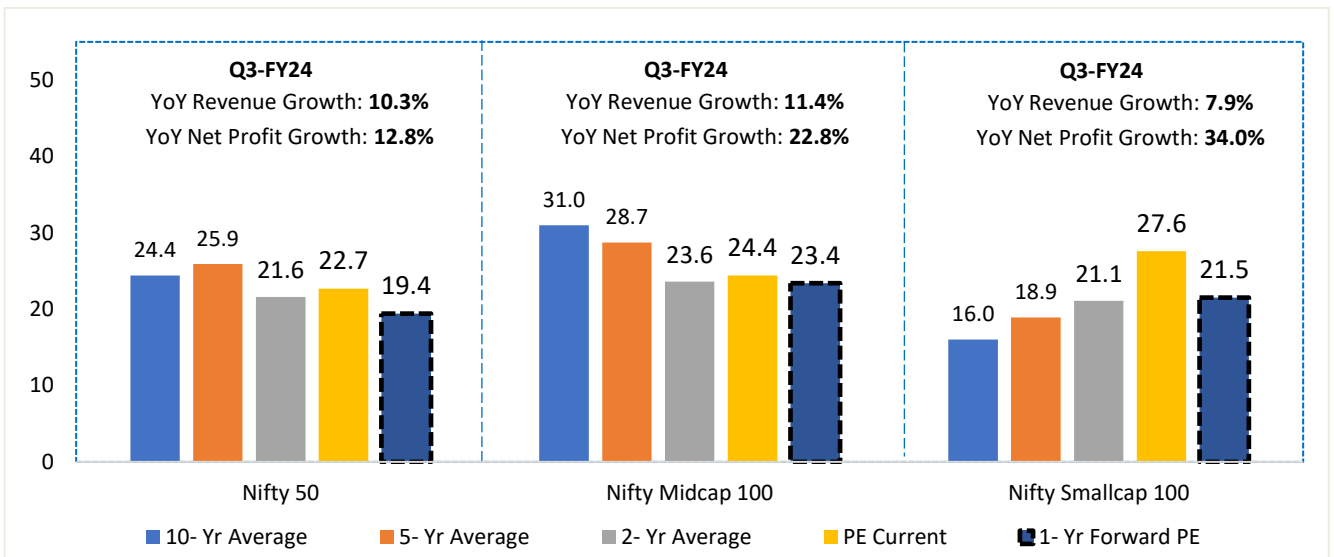
# Ampersand Growth Opportunities Fund Scheme – 1

FUND UPDATE: March 2024

## Invest in growth

- Over next 3 years, earnings will drive majority of stock performance as scope of further valuation rerating is limited.
- Market cap agnostic in choosing stocks, as high growth stories with reasonable valuations are available only in select pockets.
- Themes which we incrementally prefer are, (1) Energy transition, (2) Premiumisation, (3) Technology and Research

Chart 1: Small caps best on growth, while large cap offer value



Source: Trendlyne



# Ampersand Growth Opportunities Fund Scheme – 1

---

## Fund Information

### Minimum investment

INR 10 million

### Subscriptions

Monthly

### Redemptions

Monthly, subject to  
12 months lock-in

### Registered for Sale

Registered with SEBI

### Legal and Fund Consultant

Khaitan & Co.

### Administrator

Kotak Mahindra Bank Ltd.

### Registrar & Transfer Agent (RTA)

CAMS Limited

### Statutory Auditor & Tax Consultant

Deloitte Haskins & Sells LLP

### Investment Manager

Ampersand Capital Investment Advisors LLP

---

## Investment Manager

### **Ampersand Capital Investment Advisors LLP (LLPIN: AAF –1429)**

Address: 75-A, Mittal Tower, Nariman point, Mumbai – 400 021

Tel: +91 22 4213 9500 E-mail: info@ampersand-cap.com

---

## **DISCLAIMER:**

*Ampersand Capital Investment Advisors LLP (Ampersand) is an Investment Manager of Ampersand Growth Opportunities Fund Scheme – I (Fund), a Scheme of Ampersand Capital Trust registered as a Category III – Alternative Investment Fund (AIF) under the SEBI (Alternative Investment Funds) Regulations, 2012. This document does not constitute or is not intended to constitute an offer to buy or sell, or a solicitation to an offer to buy or sell financial products, units or securities. The information provided by Ampersand is obtained from sources believed to be reliable but is not guaranteed as to accuracy or completeness and expressly disclaims all warranties and conditions of any kind, whether express or implied.*

*Ampersand and its employees, personnel, partners will not be responsible for any direct/indirect loss or liability incurred by the user as a consequence of him or any other person on his behalf taking any investment decisions based on the contents and information provided herein. Use of this information is at the user's own risk, as investments in shares and securities are subject to market risks and user's risk profile. The user must make his own investment decisions based on his specific investment objective and financial position and using such independent advisors as he believes necessary. Past performance may not be indicative of future results. All intellectual property rights emerging from this document are and shall remain with Ampersand. This is for your personal use and you shall not resell, copy, or redistribute this document or any part of it, or use it for any commercial purpose.*