

## 1. Fund Manager’s Commentary

The Girik Multicap Growth Equity Strategy is inspired by the CANSLIM philosophy of stock picking developed by American investor William J. O’Neil. The goal of this strategy is to identify leading companies from leading industry groups that show sharp acceleration in earnings, newness in products or change in management and suggests buying them at the right price with enough margin of safety ahead of the company’s major stock price advance.

The month of May remained volatile, with the India VIX reaching almost a two-year high due to uncertainties surrounding the outcome and potential impact of the Lok Sabha elections on the financial markets. Historically, Indian markets have shown increased volatility in the months leading up to such elections.

At Girik, we emphasize that managing risk is just as vital as maximizing returns. Maximizing returns can entail "hidden" risks within a portfolio, which may only surface during challenging market conditions. One such hidden risk is “liquidity”, often overlooked as an important consideration, particularly during good times. At Girik, we integrate liquidity considerations from the outset of portfolio construction rather than treating it as an afterthought. Our approach involves meticulous analysis of the market capitalization and liquidity profiles of potential investments, establishing appropriate threshold limits for each. This enables us to effectively manage the overall liquidity of the portfolio, ensuring readiness to meet any selling requirements without necessitating drastic changes to the portfolio composition.

The average and median market capitalization in the table below indicates that our portfolio is well-distributed. A substantial portion, around 40%, is invested in highly liquid stocks with market capitalization exceeding Rs. 1,00,000 crore, while only about 12% of the allocation is in stocks with a market capitalization below Rs. 10,000 crore.

Market Capitalization (Rs. Cr.)	No. of Companies	Allocation (%)
< 10,000	7	12.51%
10,000 – 20,000	5	12.28%
20,000 – 50,000	2	6.91%
50,000 – 1,00,000	7	17.50%
> 1,00,000	11	40.62%

Market Capitalization	
Average	Rs. 2,01,652 cr.
Median	Rs. 72,404 cr.

Source: NSE

Note: Above data is as on 31-05-2024

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The liquidity analysis below further highlights that 27 out of the 32 portfolio stocks can be liquidated within 5 days, with almost 43% being invested in large caps. This discipline enables us to navigate various market conditions while maintaining portfolio resilience and adaptability. We believe it is important to balance performance with liquidity in the long-term interests of all our investors.

Liquidity Analysis		
Trading Days needed to Sell	No. of Holdings	Weight %
1 Day	19	62.16
2 to 5 Days	8	17.52
6 to 10 Days	3	7.26
11 to 20 Days	2	2.88
More than 20 days	0	0.00
<b>Sub Total</b>	<b>32</b>	<b>89.82</b>
<b>Cash &amp; Cash Equivalents</b>		<b>10.18</b>
<b>Total</b>		<b>100.00</b>

Note:

1. Source: NSE, BSE and Ace equity
2. Average daily traded share count data is the average of both the exchanges (NSE and BSE)
3. "Days needed to sell" assumes that the Funds sells up to 25% of the 3-month average daily traded share count per day in normal market conditions
4. Any fractions for "Days needed to sell" have been rounded up to reflect a conservative approach
5. The above data is as on 31-05-2024 and figures are rounded off to the nearest decimal.

Market Capitalization	Allocation
Large Cap	43.63%
Mid Cap	17.64%
Small Cap	28.55%
Cash	<b>10.18%</b>
<b>Total</b>	<b>100.00%</b>

Note:

1. Above classification and data is as on 31-05-2024.
2. Above reported market classification is defined as, Top 100 companies by market capitalization are classified as Large Cap; 101<sup>st</sup> – 250<sup>th</sup> company by market capitalization as Mid Cap; and 251<sup>st</sup> company onwards by market capitalization as Small Cap.