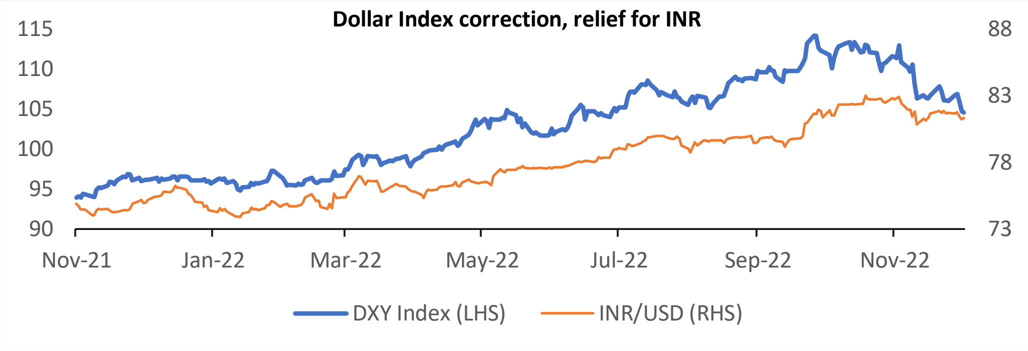
1. Fund Manager's Commentary

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.

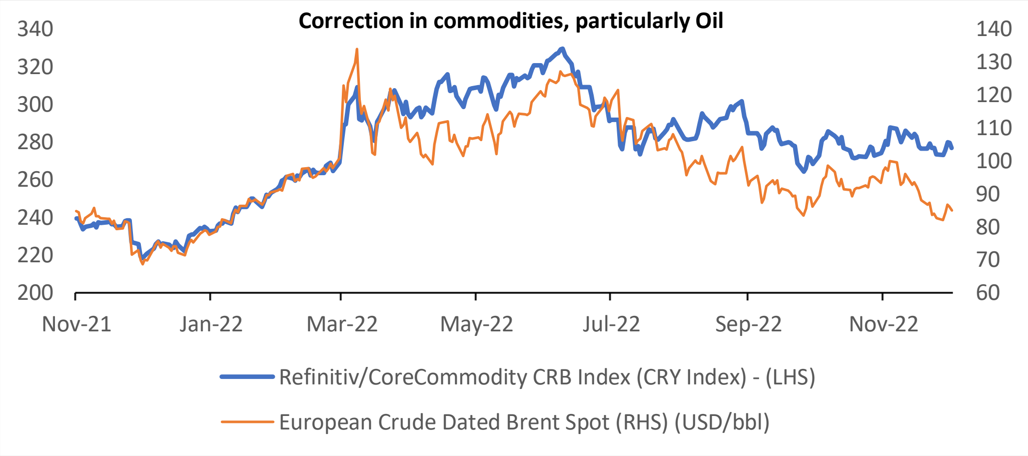
The positive momentum acquired by the equity markets continued in November with NSE Nifty 50 index gaining 4.1%. Midcaps and Small caps trailed Large caps with Nifty Midcap 100 index and Nifty Small cap 100 index rising 1.9% and 3.0% respectively. In terms of sectoral performance metals, oil & gas, IT were the leaders while utilities, consumer durables and autos were the laggards this month. Foreign portfolio investors bought stocks worth USD4.6bn in November, much higher than USD1bn purchased in the previous month. Over the past 6 months, FPIs have been buyers of Indian equities in 4 months, perhaps indicating that the worst on FPI outflows is behind us.

There is more evidence that the sentiment has been turning from 'risk off' to 'risk on' over the last several weeks. MSCI Emerging Markets index bounced smartly by 14.6% in USD terms in November. We have seen this kind of a performance after a very long time. It was led by improving sentiment about the Chinese markets due to expectations of toning down of strict zero covid policies and relief measures for the beleaguered property sector. MSCI World index was up 6.8% and MSCI India by 5.1% in USD terms.

Apart from expectations of positive developments in the Chinese economy; the 'risk on' sentiment was also fuelled by rising hopes that the pace of increase in policy rates will likely be toned down by the US Fed and other central banks. High Inflation remains a problem and policy interest rates will continue to rise for some more time. However, the market now seems to be focusing on the light at the end of the tunnel. There are a few encouraging signs with commodity index trending down by about 16% after peaking in the middle of this year. This should help reduce inflation. More importantly, from the Indian perspective, crude oil prices have corrected meaningfully by about 33% from the June peak. The 'risk on' is also evident in the correction in the dollar index in November. All this has helped provide relief to INR over the last few weeks. The Indian economy and markets have outperformed their global peers and this change of global sentiment further reduces the chances of a 'risk off' contagion. Despite the current positivity, we believe investors should always be prepared for volatility and surprises in equity markets.



Source : Bloomberg



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At Girik, we have always maintained that investors should have a minimum of 3 -5 years time horizon while investing. Longer time horizon significantly improves the odds of a positive outcome in terms of absolute and relative returns. We also encourage investors to use volatility in markets to their advantage by systematic investment planning. For a long term investor, volatility is a friend not a foe.