

Market Update

Indian markets are back at all-time highs after a bout of volatility in March. There were concerns of froth building up in mid and small-caps and regulator-led disclosures required from Mutual Funds. Those concerns have ebbed now rightly so as generalisations do not help. As we have argued in our latest note titled 'Traps', the most common trap is the 'market cap' trap in asset allocation decisions. We think investors should focus on the underlying business rather than the size of the market cap of a business. No two mid-cap or small-cap businesses are similar except for the fact their market cap size belongs to a similar range. While herd mentality does lead to aberrations in the short run, ultimately it is the underlying business that leads to stock performance and not the size of the market cap. At Avendus Olivo PMS, we are market cap agnostic as we find several attractive opportunities across market cap ranges especially given that India's market breadth and depth have widened over the last few years. Liquidity considerations, though, require us to maintain a balance between large, mid, and small-cap businesses. We are thus a multi-cap strategy. This month we discuss a niche Housing Finance company that has an impeccable track record of growth and asset quality over the last 20 years.

Holding in Focus: Can Fin Homes Ltd (CANF)

CANF is a niche player in the housing finance segment with a long and successful track record of delivering healthy credit growth (~20% cagr over the last 10 years) and maintaining pristine asset quality (GNPA < 1% for each of the last 10 years). CANF has an outstanding loan book of ~INR 34,000 crores with 89% of loans comprising individual home loans. Promoted by Canara Bank, it has a pan India presence with ~215 branches but with a relatively higher concentration in Southern India. CANF has undergone a leadership change with the appointment of Mr. Suresh Iyer (ex-Gruh Finance) as MD & CEO in March 2023. Under his leadership, CANF is now in a transformation phase with investments in new systems and processes for its next leg of sustainable growth. These include technology upgradation, centralization of underwriting to improve risk management, increasing ticket size, loan book diversification (LAP/Site loans), reducing dependency on direct selling agents, branch expansion, and improving branch productivity. The company aspires to sustain the pace of balance sheet growth in the range of 18-20% with stable asset quality and sustainable ROEs of 17-18% over the medium to long term. We believe the company is a steady compounding story in the housing finance theme in India given higher economic growth, rising income levels, and improving real estate sector dynamics.

Portfolio Information

Structure: Long only discretionary PMS managed on a **Separately Managed Account (SMA)** platform

Avendus Olivo AUM	INR	497 Crores
Strategy AUM / AUA*	INR	821 Crores
Avendus Group AMC AUM	INR	5,154 Crores
Portfolio Manager		Tridib Pathak
Benchmark		S&P BSE 500 TRI
Investment Horizon		3-5 Years

Investment Philosophy

Olivo CEP is an all season's 'core' strategy in listed equities. Our core philosophy is to invest in companies that are well placed to benefit from the structural growth potential of the Indian economy. The fund uses a consistent and disciplined bottom-up stock picking process, well-diversified across market caps, sectors, trends and themes, unconstrained by a benchmark.

Aggregate Portfolio Characteristics

Number of holdings	29
Median market cap	INR 29,157 Crores
Earnings Growth	
CAGR (FY24-26)	22.6%
PE (FY25E)	23.9x
ROE (FY25E)	18.2%

Key Features

-  **High Conviction**
~ 20 stocks
-  **Style-agnostic**
Blend of growth and value
-  **Multi-cap**
Indicative split:
Large cap 50-60%,
Mid cap 20-30%,
Small cap 0-20%
-  **Benchmark-agnostic**
High Active Share vs Benchmark:
(S&P BSE 500) TRI
-  **Separately Managed Account (SMA) Practice (No Model Portfolio)**

Our Insights

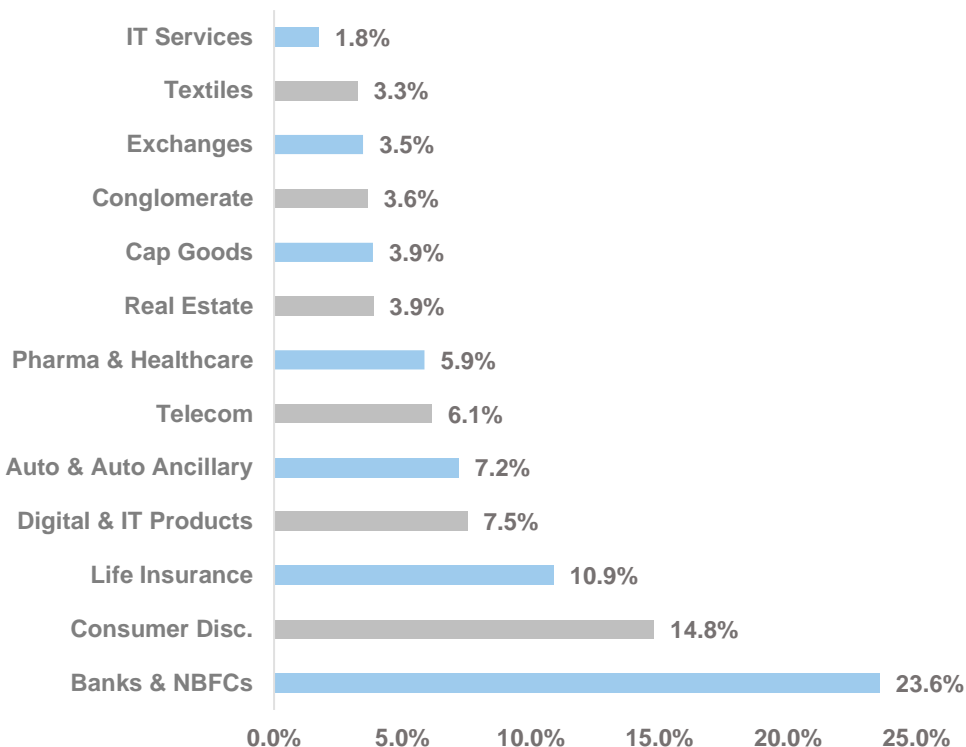
January 2023	India's Changing Narrative
April 2023	Simplicity
September 2023	Diversification
January 2024	Consolidation
March 2024	Traps



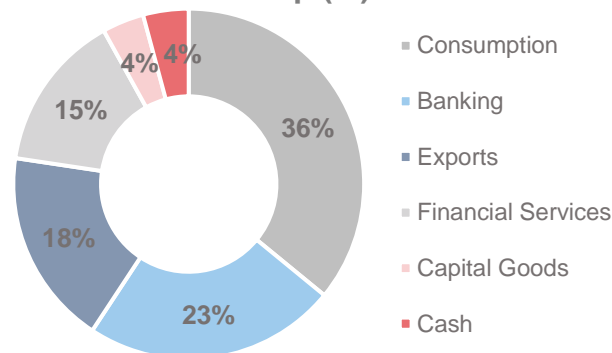


Aggregate Portfolio Breakup

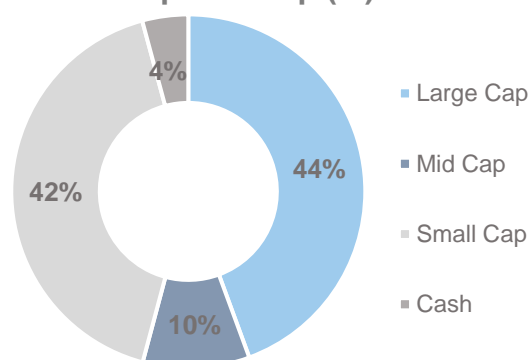
Sectoral Breakup (%)



Thematic Breakup (%)



Market Cap Breakup (%)



Note: Sectoral and Thematic break ups are as per internal classifications, Market cap break up is as per AMFI classification, data as of March 31st 2024

Aggregate Portfolio Performance

Returns – Aggregate	Olivo CEP Aggregate	S&P BSE 500 TRI (Benchmark)	Alpha
6 Months	17.0%	17.4%	-0.4%
1 Year	53.2%	40.2%	13.0%
2 Year (CAGR)	23.9%	17.8%	6.1%
3 Year (CAGR)	17.9%	19.3%	-1.4%
Since Inception (29 th July 2020) (CAGR)	22.4%	25.6%	-3.2%

Returns as of March 31st 2024

Please note that Avendus Olivo CEP PMS follows a Separately Managed Account (SMA) practice. We do not follow a 'model' portfolio approach, and we typically take 1 to 6 weeks to deploy monies in an account. The long-term performance should be viewed in this context, especially given the fact that the platform has been ramping up from a smaller base in 2020 & 2021 in a rising market.

Performance related information provided herein is not verified by SEBI. "Please note that performance of individual portfolios may vary from that of other investors and that generated by the Investment Approach across all investors because of: (a) the timing of inflows and outflows of funds; and (b) differences in the portfolio composition because of restrictions and other constraints.

Portfolio Manager



Tridib Pathak

Tridib Pathak has over 30 years' experience in managing Indian listed equity assets for domestic and international investors. He joined Avendus Capital in 2019 from the Enam Group, where he was a senior portfolio manager. His previous roles included CIO of Lotus Asset Management (a JV with Temasek's Fullerton Fund Management) and CIO of DBS Cholamandalam, a JV with DBS of Singapore. He is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a degree in Commerce from Bombay University.

For any queries, please contact:

Rishad Banatwalla | rishad.banatwalla@avendus.com | +91 98207 92672



Other Updates

Changes to Key Personnel since August / September 2023:

- Mr. Utkarsh Katkoria has joined Ocean Dial Asset Management India Private Limited ('ODAM India') and is a part of 'Key Personnel' in Disclosure Document of ODAM India. Utkarsh has over 16 years of equity research experience having worked with investment management firms like PGIM Mutual Fund and Deutsche AMC. Utkarsh holds an MBA Finance from Bayes Business School, London.
- Mr. Akul Broachwala has joined ODAM India and is a part of 'Key Personnel' in Disclosure Document of ODAM India. Akul has a work experience of over 8 years, largely into equity research. He had a long stint of around 6 years with IIFL Securities, Prior to that, he worked with Deloitte Haskins & Sells. Akul holds CFA (USA) charter and is a chartered accountant.
- Mr. Harsh Jhanvar has joined ODAM India and is a part of 'Key Personnel' in Disclosure Document of ODAM India. Harsh has over 7 years of equity research experience having worked with Centrum PMS- investment management firm and Elara capital - a sell-side firm., His area of expertise has been in the Building material, IT, Pharma, Logistics and Retail. Harsh is a chartered accountant and has cleared CFA level 2 exam.
- Mr. Ravin Kurwa has ODAM India and is a part of 'Key Personnel' in Disclosure Document of ODAM India. Ravin has over 10 years of equity research experience with IICI Securities Ltd. Ravin is a chartered accountant and has cleared CFA level 1 exam.
- Mr. Gaurav Narain, Mr. Saurabh Chugh and Ms. Ritika Behera ceased to be part of 'Key Personnel' in Disclosure Document of ODAM, India, w.e.f. 01st October 2023.

Regulatory Information:

- SEBI vide circular dated July 31, 2023, and August 11, 2023, have introduced the 'Online Resolution of Disputes ('ODR') to resolve disputes arising with Investors. The full text of the SEBI ODR Circular is available at this [link](#) and the ODR platform can be accessed at this [link](#). The Dispute Resolution mechanism in the contribution agreement will be deemed to be updated with the mechanism provided by SEBI via this circular(s) & subsequent Circular on this topic. The Disclosure Document will be updated in due course and will be hosted on website.
- SEBI vide its circular dated August 16, 2023, has prescribed that investor grievances need to be resolved within 21 calendar days, from the date of receipt of the grievance. SEBI has launched the new version of the SEBI complaint redress system (SCORES 2.0). Investors may lodge complaints, if any, only through Scores 2.0 website <<https://scores.sebi.gov.in>> w.e.f. April 01, 2024
- Investors are advised to ensure their Aadhar-PAN is linked suitably & email & mobile numbers are validated to avoid any inconvenience in transacting in securities market. KYC cases where email id /mobile number validation is not successful, such KYC records would be put 'ON HOLD' in KRA system with effect from April 01, 2024.

Other Updates:

Please note that our Email ID domain has been changed and all our email ID is '@avendus.com' instead of 'oceandial.in.'

Please also make a note in change of our investor Grievances ID as below:

Old ID: odamig@oceandial.in

New ID: odamig@avendus.com

Risk Factors and Conflict of Interest

Risk factors:

- The Portfolio Strategy makes investment in listed securities. The fluctuation in the market price of listed securities of the portfolio companies is likely to have a direct bearing on the value of the Strategy's investment. There is no assurance / guarantee of returns or payouts.
- Portfolio may at certain times hold relatively few investments or have a significant exposure to a single issuer, counterparty or asset, and could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer or counterparty.
- Portfolio may invest in securities of companies with small-to medium-sized market capitalizations which involve higher risks in some respects than investments in securities of larger companies.
- The liquidity of investments may be restricted by trading volumes, settlement periods and transfer procedures.
- The value and marketability of the Portfolio investments may be affected by changes or developments in the legal and regulatory climate in India. SEBI / RBI / the Government of India may make changes to regulations which may affect the ability of the Portfolio to make, or exit, investments.
- Portfolio performance over a particular period may not necessarily be indicative of the results that may be expected in future periods. Similarly, the past performance of the Portfolio Manager and its affiliates may not necessarily be indicative of the results the Portfolio Manager may be able to achieve with Portfolio's investments.

Conflict of Interest Disclosure:

- Ocean Dial Asset Management India Pvt. Ltd (ODAM, India) is a wholly owned subsidiary of Avendus Capital Private Limited (ACPL) and is a SEBI registered portfolio manager.
- ACPL (together with its affiliates/associates and subsidiaries is termed as 'Avendus') is engaged in multiple financial service businesses inter-alia investment / merchant banking, lending, broking, research, distribution, wealth management, asset management, portfolio management, equity capital markets. Reference to 'Avendus' herein shall individually or collectively refer to its respective relevant Avendus group entity/ies as the context may require.
- Actual, potential, or apparent conflict of interest may arise as a result of various business activities carried out by Avendus.
- Avendus, Avendus personnel and / or its advisors may in future engage in activities that may result in conflict which may not have been captured herein.
- Avendus has policies and procedures in place for addressing such conflicts. Avendus and its directors/partners/employees shall exercise a standard of good faith in its dealings.
- Avendus personnel and its advisors will only devote so much of their time to the portfolio management as is, in their judgment, reasonably required. Such Avendus personnel engaged in portfolio management, in addition to their responsibilities may have responsibilities for other Avendus companies, projects and clients. Accordingly, they may have conflicts of interests in allocating management time and other resources amongst portfolio management and such Avendus companies, projects, and clients. The Avendus personnel may provide services to other entities / branches as per their best judgement and will not work exclusively for portfolio.
- ODAM, India provides non-binding advisory services to its affiliates / associates. ODAM, India manages the portfolios of various clients under its PMS license and may execute / provide advisory for similar stocks as advised to its affiliates / associates. ODAM, India has adopted policies and procedures for addressing such conflicts.



www.ventus.com

Disclaimer

This document is provided by Ocean Dial Asset Management India Private Limited (the "Company/We/Us") in relation to Aventus Olivo (A core equity portfolio) ("PMS") on a strictly confidential basis to a limited number of sophisticated investors and potential investors for exclusive use of the addressee. By accepting this document, the recipient acknowledges and agrees that (a) this document includes confidential, proprietary, trade secret and/or other commercially sensitive information, and (b) it will, and will cause its representatives, affiliates and advisors to, use the information contained herein solely for the purpose of evaluating the recipient's potential interest and for no other purpose and will not, and will cause its representatives, affiliates and advisors not to, divulge any information contained herein to any other party without express prior consent of Company. It cannot be copied (in whole or in part) and/or disseminated in any manner.

This document is for informational purpose only and does not constitute an offer or invitation to purchase or subscribe to securities in any jurisdiction or avail any services or PMS services and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. Any such offer or invitation to purchase or subscribe for any securities or PMS shall be made solely pursuant to the PMS related documents. This document is a summary only, is not complete and does not claim to contain all information that an investor or potential investor may require for the purposes of making an investment and availing PMS. Potential investors or existing investors should not construe any information contained herein as advice relating to business, financial, legal, taxation or investment matters and any decision to invest should only be made following consultation with the investor's or potential investor's own legal, accounting, tax and other advisors in order to make an independent determination of the suitability and consequences of an investment. The information contained in this document is further subject to the information contained in the other PMS documents including its disclosure document. An investment is speculative, and no assurance is or can be given that the investors will receive a return of their capital. This is not a research report within the meaning of the Securities and Exchange Board of India (Research Analysts) Regulations 2014 as amended from time to time. All data including prices, value, income and benchmark used in the document have been derived from and are dependent upon information obtained from third party agencies including but not limited to relevant stock exchanges and such other agencies as may be identified by the Company from time to time. Company cannot guarantee the accuracy of such information and has not independently verified the accuracy of such information. Company, its affiliates, directors, officers and employees shall not be liable for any error, omission, inaccuracies or delays in provision of the requisite information from such third-party agencies. Performance related information provided herein is not verified by SEBI. No representation or warranty (expressed or implied) is made as to, the fairness, accuracy, completeness or correctness of such information or opinions contained herein and nothing contained herein should be relied upon as a promise, representation or indication of the future performance. Registration granted by SEBI, membership of BASL and certification from NISM in no way guarantee performance or provide any assurance of returns to investors. Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Past performance is not an indicator of future performance. Neither Company nor any of its affiliates has undertaken any regulatory, legal, tax or accounting analysis relating to the suitability of the securities or PMS.

Certain statements made in this document may not be based on historical information or facts and may be "Forward Looking Statements", including those relating to general business plans and strategy, future financial condition and growth prospects, and future developments in industries and competitive and regulatory environments. Although Company believes that the expectations reflected in such Forward Looking Statements are reasonable, they do involve a number of assumptions, risks and uncertainties. The statements contained in this document speak only as of the date of this document, and Company does not undertake or assume any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Actual results may differ materially from any Forward-Looking Statements due to a number of factors, including future and/or unforeseen changes or developments in the business, its competitive environment and political, economic, legal and social conditions in India or other jurisdictions. Given these uncertainties, investors or potential investors are cautioned not to rely on such Forward-Looking Statements, and should rely entirely on their own independent enquiries, investigations and advice regarding any information contained in this document. Any decision to invest should only be made after careful review of the product or services offering documents. Any reliance placed by a potential investor on the information contained in this document is wholly at their risk. Certain investments can be subject to sudden and large falls in value that could equal or exceed the amount invested. Value and income from investments may be adversely affected by exchange rates, interest rates, or other factors. Investment involves risk. It is important to note that the capital value of investments and the income from them may go down as well as up and may become valueless and investors may not get back the amount originally invested.

Company provides an option to the potential investors to be on-boarded directly without intermediation of persons engaged in distribution services by Company and in case of direct on-boarding no distribution related charges except statutory charges shall be levied.

All third-party logos / icons referenced herein remain the property of their respective owners solely. Any such reference herein is only to identify the relevant entity / organisation and shall be considered honest and fair use under the IP laws. Any claims pursuant to such usage in this document shall not be made against the Company or its affiliates.

Company and its affiliates are a full-service, investment management, portfolio management, integrated wealth management, investment banking, and financing group. We along with our affiliates are leading adviser/placement agent of securities. We and our affiliates have/may have investment banking and other business relationships with the companies covered by this document. Our traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing management teams may make investment decisions that are inconsistent with the recommendations expressed herein. Company and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Our asset management area, principal trading desks and investing businesses may make investment decisions that are inconsistent with the recommendations or views expressed in this document. The investment management business of Aventus may have advised with respect to securities referred to in this document. The lending business of Aventus may have advanced loan or provided any kind of lending/syndication services and the securities covered by this document may be a security for such loan. The distribution arm of Aventus may have earned fees in respect of services provided in respect of securities covered by this document.

You agree to indemnify and hold Company and/or its affiliates, its directors, officers and employees and agents harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing acknowledgements and undertakings made by you in this document.

Company may alter, modify or otherwise change in any manner the content of this document, without warning or obligation to notify any person of such revision or changes. Company, its affiliates, employees, disclaim any and all liability for any direct, indirect or consequential loss or damages suffered by any person as a result of relying on any statement, valuation or report in, or omission from, this document. The information provided herein is not intended for distribution to, or use by, any person in any jurisdiction where such distribution or use would be contrary to law or regulation or would subject Company or its affiliates to any licensing or registration requirements. It is the responsibility of any potential investor to satisfy itself as to full compliance with the applicable laws and regulations of any relevant jurisdiction.

Ocean Dial Asset Management India Private Limited, 901, Platina, 9th Floor, Plot No. C-59, Bandra Kurla Complex, Bandra (E), Mumbai 400051, T: +91 22 6648 0050 ; F: +91 22 6648 0040; www.ventus.com; Email: odamig@ventus.com , CIN : U74900MH2015PTC269770.

Ocean Dial Asset Management India Private Limited is registered with SEBI as a Portfolio Manager - Registration number INP000006174.

