

AXIA EQUITY OPPORTUNITIES FUND

Alternate Investment Fund - CAT III

December 2023

Performance / Return *	3m	Since 01/09/23
Portfolio	13.3%	13.7%
BSE500	12.1%	14.4%

*Net of fees and expense

In Q3FY24, we outperformed our benchmark by 120bps, despite a substantial rise in PSU stocks (PSU index up 24.5%) where we have no exposure. Our strategy of prioritizing quality businesses limits our ability to find appealing opportunities in the PSU domain. The magnitude of price increase in the last few quarters is such that many PSUs now dwarf the returns of high-quality franchises. For instance, in the PSU space, PFC has delivered a 21.5% CAGR over the last 10 years, outperforming HDFC Bank. Similarly, HPCL has delivered a 26.7% return, outpacing Reliance.

We observe investors have become fearless as the cost of making mistake has reduced. Consequently, poor-quality leveraged businesses have surged, undermining the benefits of stock selection. Bulk of these returns have come in the last few quarters. We believe that as sanity returns, quality will outperform.

Top 10 Holdings	Weight (%)	Sector Weightage %	% of Assets
Coromandel International Ltd	7.64	IT, Media and Telecom	18.16
Angel One Ltd	5.36	BFSI	22.41
Info Edge India Ltd	4.88	Consumer Discretionary	26.01
Trent Ltd	4.44	Consumer Staples	7.92
Redington India Ltd	4.33	Chemicals	1.95
Zomato Limited	4.26	Construction & Engineering	6.25
Kotak Mahindra Bank Ltd	4.21	Pharmaceuticals	2.16
Mrs Bectors Food Specialities	4.17	Commodities	7.64
ICICI Bank Ltd	4.06	Logistics and Others	4.33
Britannia Industries Ltd	3.75	Cash	3.16
Total	47.10	Total	100.0

Distribution by Mcap	% of Assets	Key Portfolio Characteristics	
Large Cap	33.51	Number of Holdings	28.0
Mid Cap	34.53	ROE %	15.9
Small Cap	28.79	P/E (x)	35.2x
Cash & Cash Equivalents	3.16	Beta	1.13

Top 5 Contributors	%	Top 5 Detractors	%
Angel One Ltd	2.27	ONE 97 COMMUNICATIONS LIMITED	-0.65
Trent Ltd	1.39	Tata Communications Ltd	-0.21
Info Edge India Ltd	0.83	Indiabulls Real Estate Ltd	-0.18
KPIT Technologies Ltd	0.75	PSP Projects Ltd	-0.07
Coromandel International Ltd	0.62	Abbott India Ltd	-0.04