WINDMILL
CAPITAL

Last Updated on: 18 Apr 2024

Pharma Tracker

Companies to efficiently track and invest in the pharma sector

Medium Volatility

8Y CAGR
13.34% Since: April 4, 2016

smallcase rationale

Indian pharmaceutical sector is estimated to grow to US$ 100 billion by 2025. Branded generics dominate the pharmaceuticals market, constituting nearly 80% of the market share in terms of revenues.

Pharma sector is expected to generate 58,000 additional job opportunities by 2025. Indian companies received 336 Abbreviated New Drug Application (ANDA) approvals from the USFDA accounting for 40% of total final ANDA approvals in 2019. A large pipe-line of high-value drugs as well as decline in regulatory alerts for larger companies is expected to drive growth.

This smallcase comprises pharmaceutical and life sciences companies to allow investors to efficiently track and invest in the pharma sector.

Created by	SEBI Reg. Number	Subscription Type
Windmill Capital	INH200007645	Free

Invest in this smallcase here

Methodology

Defining the universe

All publicly traded companies on the National Stock Exchange of India, covering 90% market capitalization, are included in the universe

Research

The Windmill Capital team does an in-depth research, along with internal presentations and decides the sub-sectors and segments to be included in the tracker

Stock Screening

- Proprietary liquidity filters are applied to remove ill-liquid stocks from the universe
- A special check is applied to remove stocks, where a significant part of the promoter holdings are pledged, to define the investable universe
- All stocks in the investable universes, belonging to the selected sub-sectors are checked individually to ensure perfect theme fit
- Final stocks are selected on the basis of combined rank calculated using various parameters like valuations, market share growth, earnings growth, profitability, earnings quality, intrinsic value & institutional holdings

Weighting

The list of selected stocks is weighted such that the risk contribution of each stock in the smallcase is equal. By focusing on risk instead of marketcap or value, this weighting scheme provides better diversification and protection against market volatility

Rebalance

This smallcase has a quarterly rebalance schedule. Once every quarter, the research team reviews this smallcase to add or drop stock/ETFs, if applicable

Ratios

Ratio	smallcase	Equity Multi Cap

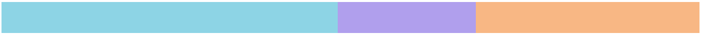
PE Ratio	37.09	26.12
PB Ratio	6.00	4.38
Sharpe Ratio	1.61	1.16
Dividend Yield (%)	0.49	1.08

Important Fields

Inception Date	Launch Date	Marketcap Category
March 3, 2014	April 4, 2016	Equity Multi Cap

Review Frequency	Last Reviewed	Next Review On
Quarterly	March 14, 2024	June 14, 2024

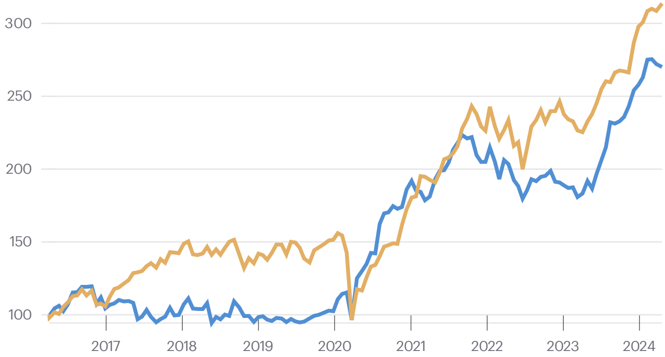
Market Cap Distribution



● Large Cap	● Mid Cap	● Small Cap
48.11%	19.74%	32.14%

Live Performance vs Equity Multi Cap

● Pharma Tracker vs ● Equity Multi Cap

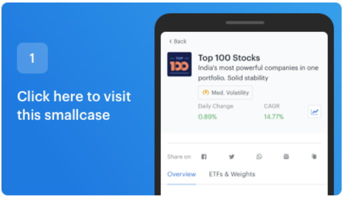


Note: Live performance includes rebalances. It is a tool to communicate factual return information and should not be seen as advertisement or promotion.

Returns over various periods

6M Returns	1Y Returns	3Y Returns	5Y Returns
smallcase	smallcase	smallcase	smallcase
17.9%	42.04%	40.64%	177.33%
Equity Multi ...	Equity Multi ...	Equity Multi ...	Equity Multi ...
20.93%	37.46%	69.11%	112.74%

How to invest



1

Click here to visit this smallcase

< Back

Top 100 Stocks

India's most powerful companies in one portfolio. Solid stability

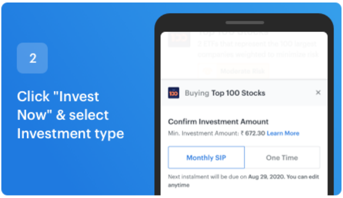
Med. Volatility

Daily Change 0.89%

CAGR 14.77%

Share on

Overview ETFs & Weights



2

Click "Invest Now" & select Investment type

2 ETFs that represent the 100 largest companies weighted to minimize risk

Moderate Risk

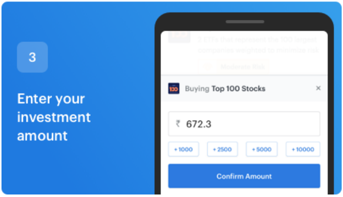
Buying **Top 100 Stocks** ×

Confirm Investment Amount

Min. Investment Amount: ₹ **672.30** Learn More

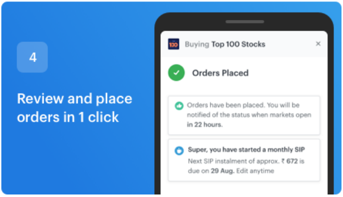
Monthly SIP | One Time

Next instalment will be due on **Aug 29, 2020. You can edit anytime**



3

Enter your investment amount



4

Review and place orders in 1 click

Orders have been placed. You will be notified of the status when markets open in 22 hours.

Super, you have started a monthly SIP

Next SIP instalment of approx. ₹ **672** is due on **29 Aug.** Edit anytime

Definitions and Disclosures

CAGR

CAGR (compounded annual growth rate) is a useful measure of growth or performance of a portfolio. Every year returns generated by a portfolio are different. Let's say if a portfolio is live for 3 years and returns generated by the portfolio are 5%, 15% & -7%, respectively in the first, second and third year. Then we calculate CAGR as a return number that would give the same terminal investment value at the end of three years, as we get when the portfolio gains by 5% & 15% in the first two years and drops by 7% in the third year. The CAGR in this case would be 3.94%. This means that you will always end up with the same investment value at the end of the third year, if your portfolio gains by 3.94% every year or 5%, 15% and -7%, respectively in the first, second and third year.

In simple words, it indicates the annual return generated by the smallcase from the date of launch. For smallcases live for less than 1 year, absolute returns in the applicable time period are shown. Only live data is considered for all calculations. Returns and CAGR numbers don’t include backtested data.

P.S. - CAGR calculation methodology got updated from 25th Apr’22 on all smallcase Platforms. Please read this post to understand the changes in detail

Volatility Label

Changes in stock/ETF prices on a daily basis result in fluctuations to the investment value of your portfolio. In order to help investors understand the extent of fluctuation they might observe with their smallcase investment, every smallcase is categorized into one of the three volatility buckets - High, Medium and Low Volatility. This is done by comparing the smallcase’s volatility against that of the Nifty 100 Index.

If the daily change in the investment value of a portfolio is too drastic, it means prices of stocks/ETFs in the portfolio are changing very rapidly. Such portfolios have High Volatility. Investing in High Volatility smallcases means that changes in your investment values can be very sudden and drastic, whereas fluctuations in the investment value of Low Volatility smallcases are expected to be lower in comparison.

For more information about how volatility is calculated, please check here

Segment

Stocks/ETFs belonging to a smallcase are categorized under different segments. Weightage of a segment is calculated as sum of weights of all stocks belonging to that segment. Suppose 4 stocks, with each having a weight of 10%, belong to the Food Products segment. Then the weight of the Food Product segment in the smallcase will be 40% (4*10)

For smallcases where manager has not prescribed any weights, equal weights are assumed for calculations.

Review

Rebalancing is the process of periodically reviewing and updating the constituents of a smallcase. This is done to ensure that constituents in the smallcase continue to reflect the underlying theme or strategy

Market Cap Categorization of Stocks

All the stocks listed on NSE(National Stock Exchange) are arranged in decreasing order of Market Cap, so that the stock with the largest market cap gets 1st Rank. Stocks ranked equal to or below 100 are categorized as Large Cap. Stocks ranked below or equal to 250, but ranked above 100 are categorized as Mid Cap stocks. Stocks ranked above 250 are categorized as smallcap

Market Cap Categorization of smallcases

- If the sum of weights of constituent large cap stocks is greater than 50%, then smallcase is categorized as Largecap
- If the sum of weights of constituent mid cap stocks is greater than 50%, then smallcase is categorized as Midcap
- If the sum of weights of constituent small cap stocks is greater than 50%, then smallcase is categorized as Smallcap
- If the sum of weights of constituent large cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of large cap and mid cap stocks are greater than 80%, then smallcase is

categorized as Large & Midcap

- If the sum of weights of constituent small cap stocks is greater than 30%, sum of weights of mid cap stocks are greater than 30%, and sum of weights of small cap and mid cap stocks are greater than 80%, then smallcase is categorized as Mid & Smallcap
- If none of the above conditions are met, then smallcase is categorized as Multicap

For smallcases where manager has not prescribed any weights, equal weights are assumed for calculations.

Comparison of live performance

To help investors make informed decisions, smallcase platform provide many tools. One of the tools provided on the platform is the comparison of the live performance of the smallcase. This comparison is a tool to communicate factual return information and should not be seen as advertisement or promotion. Following methodology is used to provide users different options to compare the performance of the smallcases

- All smallcases have an option to compare the live performance against returns generated by Bank FDs, Inflation and Equity asset class
    - FD returns are calculated using the data available from RBI. The annual data for 1-3 year deposit rates is considered. This data is used to compute a daily index series, where the annual returns of the series correspond to the annual deposit rates provided by the RBI. For instance, if the annual deposit rates for year 1 is 6% and year 2 is 7%, the total return of the series after 2 years is calculated as 1*(1+6%)*(1+7%) - 1 = 13%. This series is also utilised to determine the CAGR between any 2 specified dates
    - Inflation returns are calculated using the data available from IMF. The annual percent change in average consumer prices is considered. This data is used to compute a daily index series, where the annual returns of the series correspond to the annual inflation rates provided by the IMF. For instance, if the annual inflation rates for year 1 is 6% and year 2 is 7%, the total return of the series after 2 years is calculated as 1*(1+6%)*(1+7%) - 1 = 13%. This series is also utilised to determine the CAGR between any 2 specified dates
    - Equity returns represent the returns generated by Nifty 50 Index
- All smallcases have an option to compare the live performance against the

returns generated by Equity Largecap section of the market - represented by Nifty100 index

- Each smallcase is categorized into one of the market cap categories using the methodology explained in the section above. Following options are made available, as per the marketcap category of the smallcase

Market Cap Category	Comparable Option
Largecap	Nifty 100
Midcap	Nifty Midcap 150
Smallcap	Nifty Smallcap 100
Large & Midcap	Nifty LargeMidcap 250
Mid & Smallcap	Nifty MidSmallcap 400
Multicap	Nifty 500

General Investment Disclosure

Charts and performance numbers on the platform do not include any backtested data. Please refer to the Returns Calculation Methodology to check how returns are calculated on the platform. Data used for calculation of historical returns and other information is provided by exchange approved third party data vendors and has neither been audited nor validated by the Company. For smallcases where weights are not provided by the creator, Equal weights are used to calculate all returns, numbers and ratios on the platform.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Investors should consider consulting their financial advisor while considering any investment decisions.

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Windmill Capital Private Limited is registered with SEBI with INH200007645 as the SEBI registration number. The registered office address of Windmill Capital Private Limited is No 51, 3rd Floor, Le Parc Richmonde,, Richmond Road, Shanthala Nagar, Bangalore – 560025. The CIN number of the company is U74999KA2020PTC132398.

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Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

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The Company has assumed some portfolios originally created by its holding company Smallcase Technologies Private Limited (STPL), a SEBI registered Research Analyst, whose registration was voluntarily surrendered to SEBI effective 18th November 2020. STPL had taken registration as a Research Analyst effective 18th June 2018 having registration number INH200005984. The Company retains and maintains these portfolios under the same name & methodology as used originally.

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Details of our Associates –
Smallcase Technologies Private Limited (Holding Company) bearing CIN: U74900KA2015PTC081722 with its registered office at No 51, 3rd Floor, Le

ParcRichmonde Richmond Road, Shantala Nagar Bangalore, 560025.

Anchorage Technologies Private Limited having CIN: U74220KA2021PTC142979 with its registered office at #51, 3rd Floor, Le Parc Richmonde, Richmond Road, Shanthala Nagar, Richmond Town, Bangalore - 560025

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Nexum Finvest Private Limited (NFPL) bearing CIN U64990KA2023PTC172732 with its registered office address as: No 51, 3rd Floor, Le Parc Richmonde, Richmond Road, Shanthala Nagar, Bangalore – 560025

Zerodha Asset Management Private Limited bearing CIN: U67190KA2021PTC155726 with its registered office address as: INDIQUBE PENTA New No. 51 (Old No.14), Richmond Road, Bangalore - 560025

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All grievances should be addressed to our grievance officer Mr Ajoy Bharadwaj using compliance@windmill.capital

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