

Rising Rural Demand

Companies that stand to benefit from increasing rural consumption

Index Value
346.17

Moderate Risk

CAGR
20.89%

since March 3, 2014

smallcase rationale

Consumption in rural India is growing at 1.5 times the rate in urban India.

- Budget 2020-21 saw an increased outlay of ₹2.25 lakh crore towards rural development schemes, the highest ever
- The volume of institutional credit for the agriculture sector is raised to ₹15 lakh crore from ₹11 lakh crore last year, with an aim to double farmers income by 2022
- This Budget also set aside ₹6,000 crore for digitisation of 1,00,000 gram panchayats through Fibre to the Home (FTTH) connections
- 35 lakh farmers stands to benefit from PM KUSUM 700 crore Budget outlay for solar pumps installation
- Higher rural consumption can also be attributed to increased purchasing power, stable inflation, augmented government spending towards rural infrastructure development and poverty elimination programs

This smallcase has companies that either derive a significant amount of their revenue from rural India or are striving to enhance their foothold across rural markets to benefit from increasing rural demand.

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

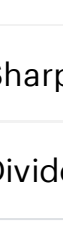
[Invest in this smallcase here](#)

Methodology



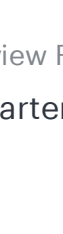
Defining the universe

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 a in-depth research, along with internal presentations and decides the criteria to be used for stock screening



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 sectors are checked individually to ensure perfect theme fit



Weighting

Top points considered while assigning weights to stocks in the smallcase

Revenue derived/expected from smallcase theme-related business activities

Market capitalization of the company

Future estimates and corporate governance record of the company



Rebalance

This smallcase has a quarterly rebalance schedule. Once every quarter, the research team reviews smallcases to ensure the current list of constituents and their weights remain true to the theme

Ratios

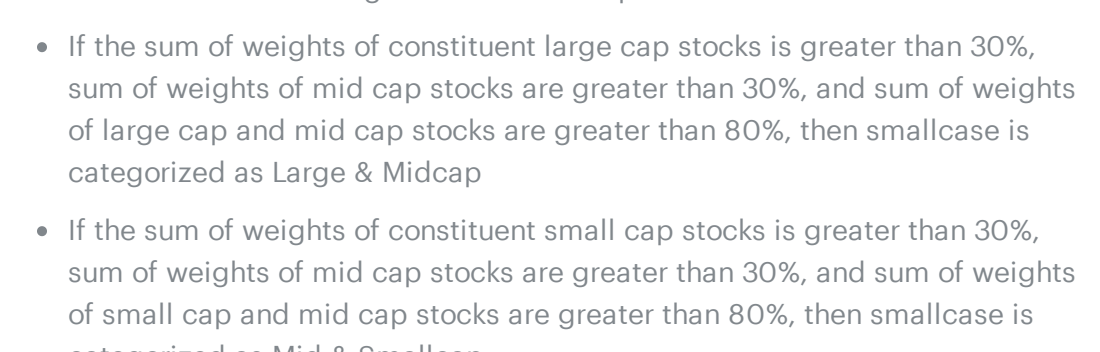
Ratio	smallcase	Equity Multi Cap
PE Ratio	26.07	23.56
PB Ratio	4.21	2.96
Sharpe Ratio	1.25	1.16
Dividend Yield (%)	1.45	1.45

Important Fields

Inception Date **March 3, 2014** Launch Date **February 11, 2019** Marketcap Category **Equity Multi Cap**

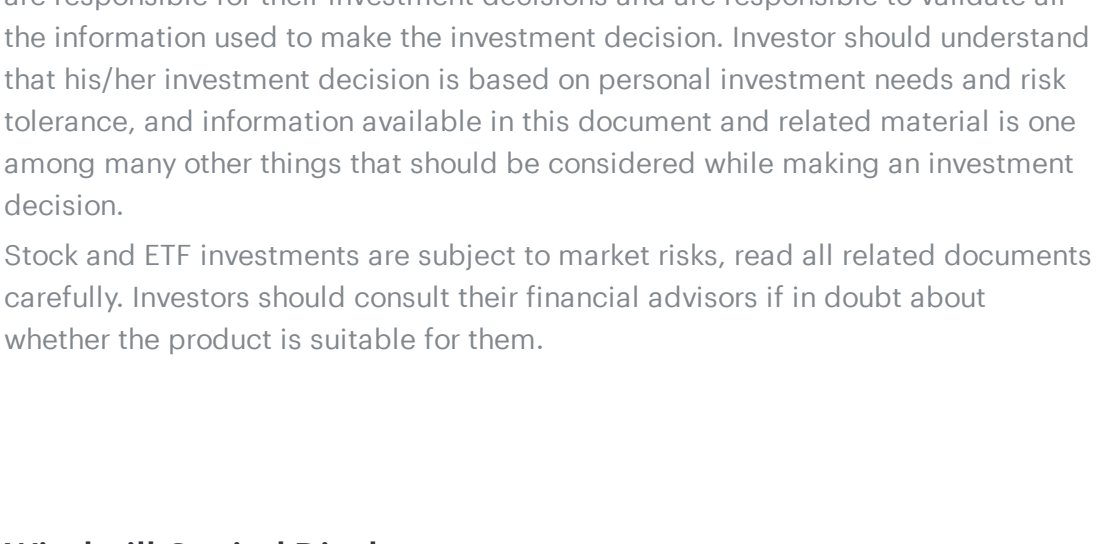
Review Frequency **Quarterly** Last Reviewed **September 16, 2020** Next Review On **December 16, 2020**

Market Cap Distribution



Past Performance Comparison with Equity Multi Cap

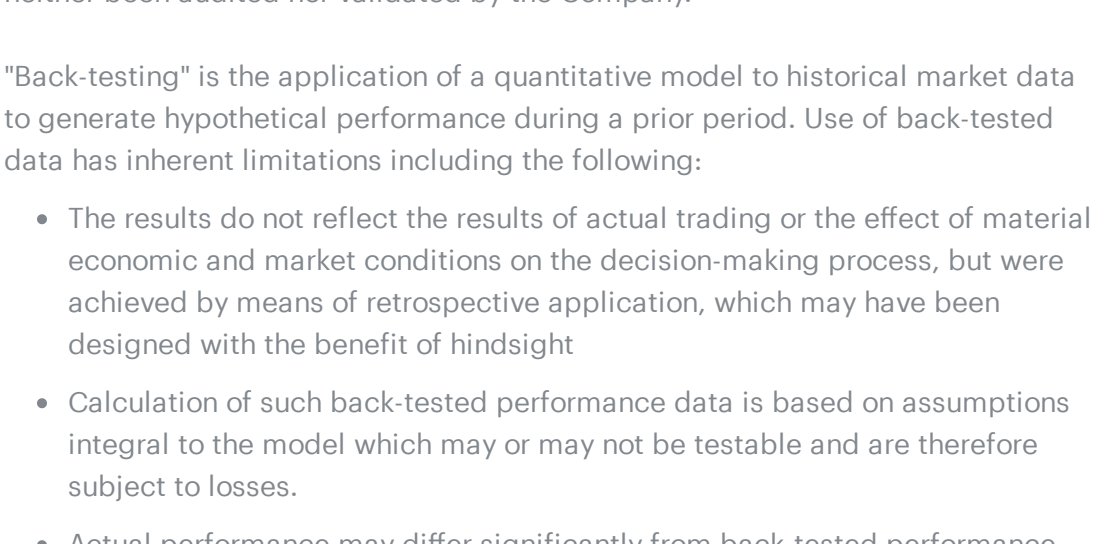
Rising Rural Demand with **Equity Multi Cap**



Returns over various periods

3M Returns	6M Returns	1Y Returns	3Y Returns
smallcase 3.76%	smallcase 19.44%	smallcase 3.54%	smallcase -8.07%
Equity Mul... 7.98%	Equity Mul... 28.16%	Equity Mul... 3.33%	Equity Mul... 5.4%

How to invest



Definitions and Disclosures

Index Value

Index value for all smallcases start from 100 since their inception date and helps investors easily calculate the returns generated since inception or between two specific dates. For example, if the current index value of the smallcase is 150, it means it has generated 50% since its inception. If the index value of a smallcase was 215 last month and the current index value if 245, it means it has generated $(245/215)-1 = 13.9\%$ return in last one month

CAGR

CAGR (compounded annual growth rate) is a useful measure of growth or performance of a portfolio. It represents the growth/return rate that gets you to the current value of the investment, starting from the initial investment value and assuming that investment has been compounding at the fixed growth/return rate for the period.

In simple words, it indicates the annual return generated by the smallcase from the date of inception

Risk Label

Change in value of your investment, due to changing prices of stocks in a daily basis is called the Risk. If the daily change in the investment value of portfolio is too drastic, it means prices of stocks in the portfolio are changing very rapidly. Such portfolios have High Risk.

Every smallcase is categorized into one of the three risk buckets - High Risk, Moderate Risk and Low Risk. This is done by comparing the volatility of the smallcase with market volatility since inception. Investing in High Risk smallcases means that change in your investment values can be very sudden and drastic.

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)

Review

Rebalancing is the process of periodically reviewing and updating the constituents of a smallcase. This is done to ensure that stocks & weights 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
- Marketcap category of a smallcase might be different from the above mentioned, if the creator/manager of the smallcase specifically defines a particular category

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