

Listed Venture Capital

Venture Capital style investments into small listed companies with quality governance board & quality earnings poised to grow

High Volatility

5Y CAGR **48.96%** Since: August 17, 2019

smallcase rationale

We find multi-baggers in listed small caps by using big-data analytics to quantitatively select governance standards and earnings potential using our proprietary database and algorithm. To dig deeper - please read on.

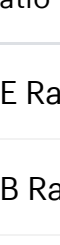
- An ingredient to our secret sauce is our proprietary database where we track board members of listed companies and our algorithms that track the background of these board compositions.
- We aim to find credible board members that are specialist in the industry and who are part of high quality companies and are also sitting board members of really small companies like a Venture Capital board observer in a startup.
- For our investors, we watch out for related party representations in terms of family members and focus on purely professional representation as a preferred choice.
- We bank on heuristic to estimate intrinsic value as a screen of companies that are very small and have limited reporting and history.
- We use fundamental ideas like variability of margins, earnings stability, one off items in reported earnings as few of the methods to further shortlist.
- We used portfolio construction techniques to make the small case representative of broad economy.

This portfolio is not available for US persons, including US citizens and residents. The portfolio represented herein is available only to Indian residents. For US persons, please refer to the LotusDew website: www.lotusdew.co

Created by **Lotusdew Wealth** SEBI Reg. Number **INA200013770** Subscription Type **Paid**

[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.

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Constituent Screening

The lotusdew team does individual stock picking after going through company reports and financials and decides on a host of qualitative and quantitative parameters to be considered while screening stocks for the respective theme



Weighting

Following parameters are considered while assigning weights to stocks in this smallcases

- Market capitalization
- Management quality and vision
- Theme exposure, revenues and earnings visibility



Rebalance

This smallcase will be rebalanced on an as-needed basis

Ratios

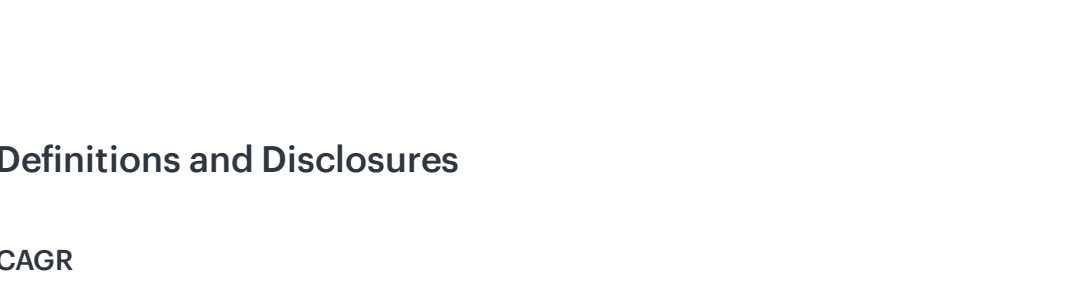
Ratio	smallcase	Equity Smallcap
PE Ratio	37.43	32.79
PB Ratio	4.72	4.34
Sharpe Ratio	2.70	0.97
Dividend Yield (%)	0.57	0.60

Important Fields

Inception Date **January 1, 2014** Launch Date **August 17, 2019** Marketcap Category **Equity Smallcap**

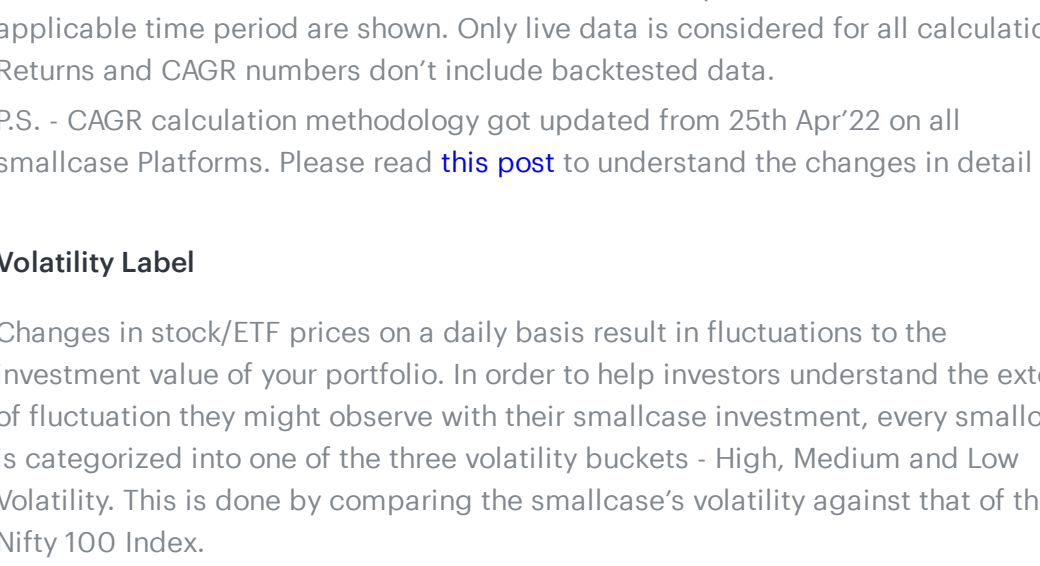
Review Frequency **Need Basis** Last Reviewed **April 15, 2024** Next Review On **To Be Decided**

Market Cap Distribution



Live Performance vs Equity Smallcap

Listed Venture Capital vs Equity Smallcap

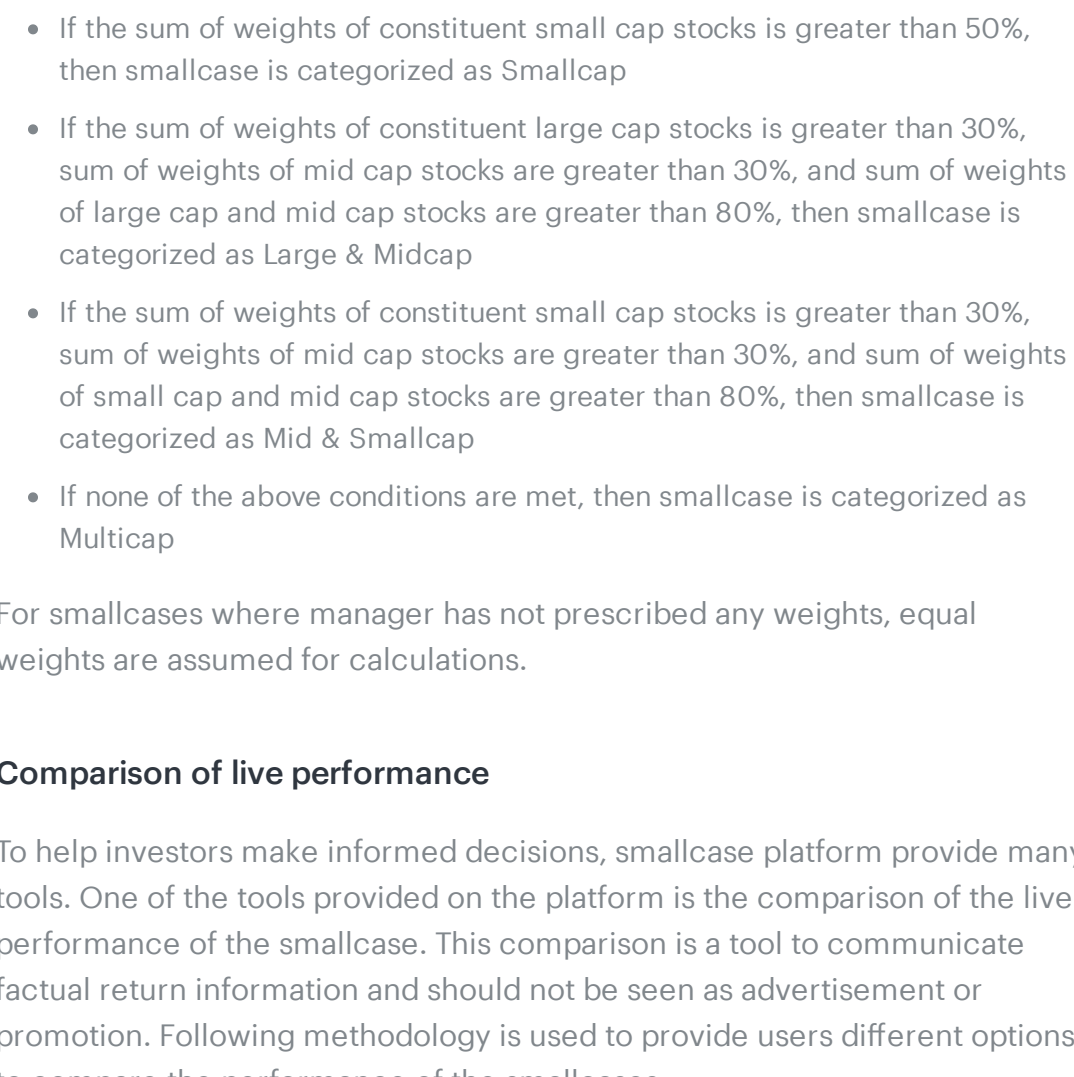


Note: Live performance includes rebalances. It is a tool to communicate factual return information and should not be seen as advertisement or promotion.

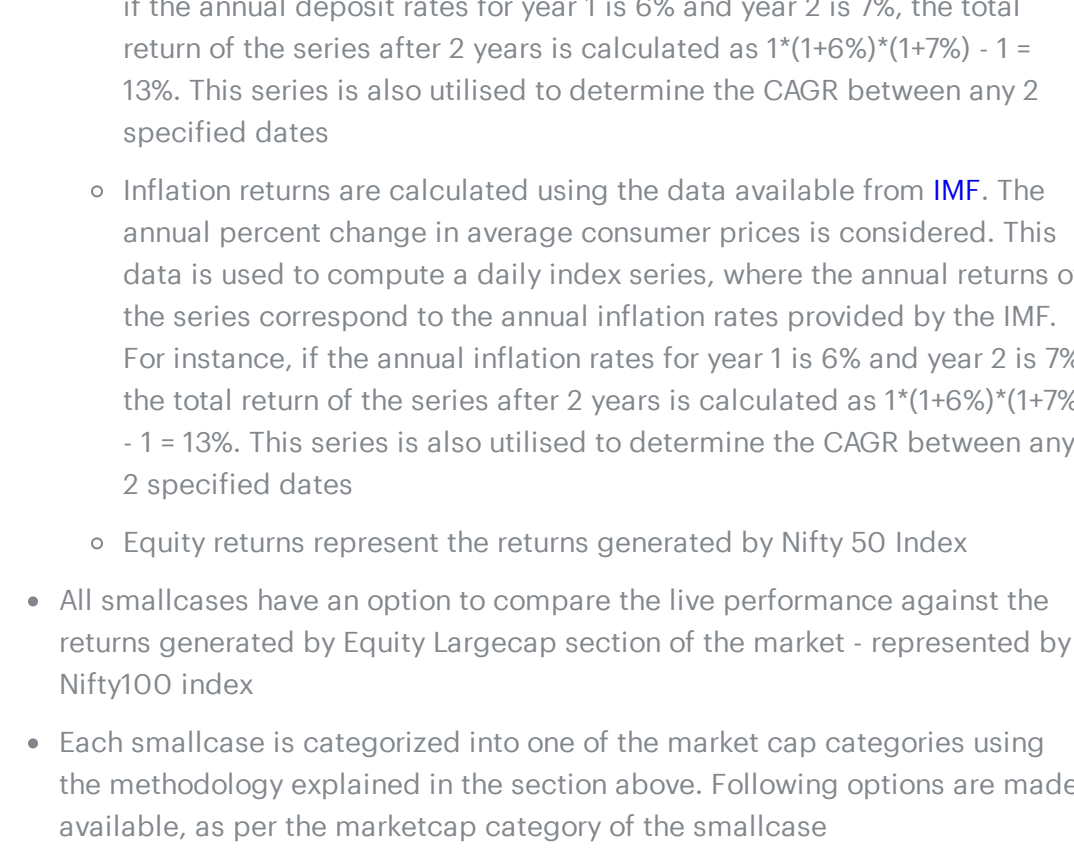
Returns over various periods

3M Returns	6M Returns	1Y Returns	3Y Returns
smallcase 3.5%	smallcase 21.92%	smallcase 70.89%	smallcase 211.26%
Equity Small... 5.62%	Equity Small... 24.41%	Equity Small... 73.04%	Equity Small... 96.17%

How to subscribe



How to invest



Definitions and Disclosures

CAGR

CAGR (compounded annual growth rate) is a general measure of portfolio or performance of an individual. 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.

Lotusdew Wealth Disclosures

Lotusdew Wealth and Investment Advisors Private Limited is registered with SEBI with INA200013770 as the SEBI registration number. The registered office address of Lotusdew Wealth and Investment Advisors Private Limited is 3 Eurospace, 4th Floor, Jyothi Imperial, Gachibowli, Hyderabad 5000032. The CIN number of the company is U67200TG2019PTC132737. The manager is a member of BASL with Membership Number 1502.

The content and data available in the material prepared by the company and on the website of the company, including but not limited to index value, return numbers and rationale are for information and illustration purposes only. Charts and performance numbers do not include the impact of transaction fee and other related costs. Past performance does not guarantee future returns and performances of the portfolios are subject to market risk. Data used for calculation of historical returns and other information is provided by exchange approved third party vendors and has neither been audited nor validated by the Company. Detailed return calculation methodology is available [here](#). Detailed volatility calculation methodology is available [here](#).

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Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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This is a high risk basket of advise and hence we recommend upto 20% of equity allocation to high risk tolerant customers, 10% of their equity allocation to moderate risk customers and 5% of their allocation to low risk customers.

As an example, if you have 25 lakhs of total exposure in equity across your portfolio, you may use upto 5 lakhs for this basket in case you have high risk tolerance, 2.5 lakhs if you have moderate risk tolerance and 1.25 lakhs if you have low risk tolerance.

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SEBI Recognised supervisory body: BASL, Membership ID: 1502

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