



Monsoon Cheer

Companies whose fortunes are linked with good monsoons

Moderate Risk

Index Value

139.72

CAGR

6.24%

smallcase rationale

Good monsoons have always been the backbone of India's agricultural sector which employs approximately 60% of the total rural & semi-urban population. Normal to above average rainfall during the June-September period leads to high farm production, resulting in stable prices of vegetables and pulses throughout the year, keeping food inflation in check. It also boosts agricultural income, thereby increasing domestic consumption and positively contributing to overall GDP growth. Demand for daily care products like soaps, detergents, and hair care, discretionary products like tractors and two wheelers; agricultural products like fertilizers and crop protection chemicals witness upticks, raising expectations for better performance from related companies. This smallcase consists of companies from diverse sectors like FMCG, auto manufacturers, fertilizers, which are expected to benefit from a good monsoon season. A low-cost version of this smallcase without high-priced stocks is also available here

Created by

smallcase Research

SEBI Reg. Number

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Subscription Type

Free

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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 smallcase research team does an 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	NIFTY Smallcap
PE Ratio	14.70	16.84
PB Ratio	3.38	1.42
Sharpe Ratio	1.23	1.01
Dividend Yield (%)	1.37	1.30

Important Dates

Inception Date

March 3, 2014

Launch Date

June 21, 2016

Benchmark

NIFTY Smallcap

Review Frequency

Quarterly

Last Reviewed

May 31, 2016

Next Review On

September 30, 2016

Market Cap Distribution



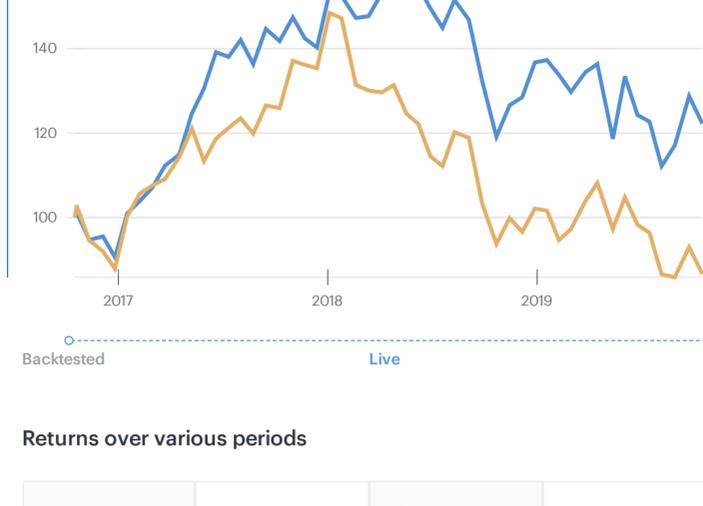
● Large Cap
36.00%

● Mid Cap
24.00%

● Small Cap
40.00%

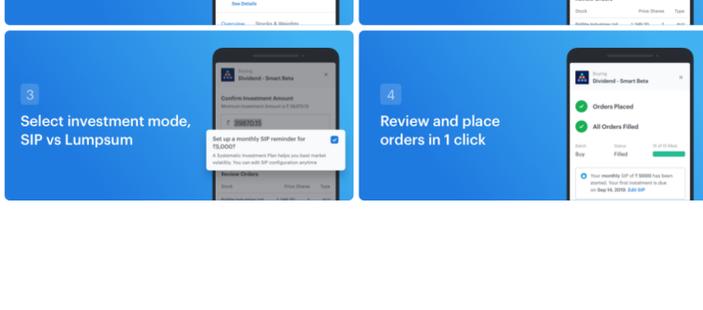
Past Performance Comparison with NIFTY Smallcap

● Monsoon Cheer with ● NIFTY Smallcap



Returns over various periods

6M Returns	1Y Returns	3Y Returns	5Y Returns
smallcase -8.29%	smallcase -2.55%	smallcase 34.06%	smallcase 38.32%
NIFTY Sm... -17.58%	NIFTY Sm... -13.24%	NIFTY Sm... -4.58%	NIFTY Sm... 2.51%



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 is 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 on 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 to 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

Disclosure

smallcases are only created by SEBI registered Research Analysts, Investment Advisers and Portfolio Managers. Details like Name and SEBI registration number of the creator of this smallcase can be found on the first page of the factsheet.

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