



We focus on **doing the right things** than doing too many things

NEWSLETTER AUGUST 2024

The Indian markets post the election shock have continued to be in a healthy zone with the Nifty 50 registering a 3.9% growth in the month of July. The markets reached all-time high as the Nifty index surpassed the 25,000 mark and the Sensex touched 82,000. Despite concerns regarding valuation risks, the infusion of liquidity has helped maintain positive market sentiment.

A significant event this month was the Union Budget presented by the newly re-elected Modi government, which is now serving its third consecutive term. In an effort to boost tax collections, the government increased the long-term capital gains (LTCG) tax from 10% to 12.5%, while removing indexation benefits for real estate and gold investments. This decision has drawn criticism, as indexation has traditionally been viewed as a fair method for calculating capital gains, particularly for long-held assets that require inflation adjustments. Overall, the budget was largely uneventful, with the government continuing its focus on maintaining the downward trajectory of fiscal deficit with FY25 target of 4.9%, slightly lower than the interim guidance of 5.1%. Tax collections remained robust, bolstered by a healthy economy, with Goods and Services Tax (GST) collections reaching ₹1.82 lakh crore, reflecting a 10% YoY increase. The earnings season also started positively, with the IT giants reporting good numbers along with encouraging commentary for the period ahead.



Raghvendra Nath
Co-Founder & Managing Director

On the international front, a notable event was the withdrawal of Joe Biden's candidacy, paving the way for Kamala Harris to become the democratic presidential nominee. Meanwhile, U.S. tech giants faced disappointing quarterly results, leading to significant corrections in the tech sector. Looking ahead, expectations for rate cuts, geopolitical tensions in the Middle East and the upcoming presidential election, are keeping the markets on edge. Any negative outcome could trigger corrections, especially as many global markets are trading at record highs. While the Indian market may not be directly affected by these events, negative global sentiments could influence the domestic markets

Ladderup Wealth announced the launch of Credit Opportunities Portfolio, a fixed income PMS which enables clients to earn superior returns by investing in bonds of high-quality business. The portfolio focuses on following a smart credit approach, investing in companies that require growth capital and not stress capital and evaluating companies with an equity lens. This is currently one of the best investment options in fixed income, especially given that debt mutual funds are now fully taxed like fixed deposits, which are expected to yield returns below inflation on a post-tax basis. On the other end, high-yield options may carry significant credit risks. Through this PMS, investors can achieve high post-tax returns in a relatively safer manner.

Proud Portfolio

A unique approach to build a 'high quality high growth' portfolio of stocks that can deliver sustainable growth.

Market Update

We continue to emphasize the importance of maintaining long term perspective despite short term uncertainties

Proud Portfolio Performance vs benchmark for July 24

Particular	Proud PMS	NIFTY 50 TRI	Outperformance
1 Month	6.33%	4.00%	2.33%
3 Months	11.85%	11.07%	0.78%
6 Months	15.65%	15.72%	-0.07%
1 Year	25.27%	27.84%	-2.57%
3 Years	15.25%	17.90%	-2.65%
Since Inception	23.77%	23.69%	0.08%

The performance related information provided therein is not verified by SEBI.

STOCK IN THE NEWS

Cash Asset Management Services

The Company reported a net profit of ₹ 107crore for Q1 FY25, up by 41% from ₹ 76 crores in Q1 FY24. Revenue increased 27.41% to ₹331.40 crores from ₹261.3 in Q1 FY24. The company's asset under service crossed ₹40 lakh crores a rise of 34.7% from Q1 FY24.



ITC Limited

The company reported a revenue of ₹18,457 crores, up 7.5% from ₹17,164 crores in Q1 FY24. Net Profit after tax slightly declined by 0.25% to ₹ 5,177 crores from ₹5,190 crores in Q1 FY24. The hotel business added 32 properties to its portfolio in the last 24 months (Jul'22- Jun'24) and plans to add 28 managed hotels in the next 24 months (Jul'24- Jun'26).

Bandhan Bank

Bandhan Bank reported a 47.5% (YoY) rise in net profit at ₹1,063.5 crore for the first quarter of FY25 compared to ₹ 761 crores in Q1 FY24. The net interest income (NII) for the quarter under review rose 20.7% to ₹3,005 crore, compared to ₹2,490.6 crore in the same period a year ago. Net non-performing assets stood at 1.15%, down from 2.18% a year ago.



SBI Life

SBI Life Insurance reported a net profit of ₹520 crore for the first quarter ended June 2024, a 36% increase from ₹381 crore in the same quarter last year. The insurer's net premium income rose 15% year-on-year to ₹15,105 crore, up from ₹13,104 crore

LADDERUP IN THE NEWS

Effect of custom duty cut on Gold prices

Reduction in customs duty in gold and silver are anticipated to benefit domestic companies



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Union Budget Highlights

The budget announcement was largely anticipated with governments emphasis on fiscal consolidation bringing fiscal deficit to 4.9%



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Fund Snapshot – UTI Multi Asset Allocation

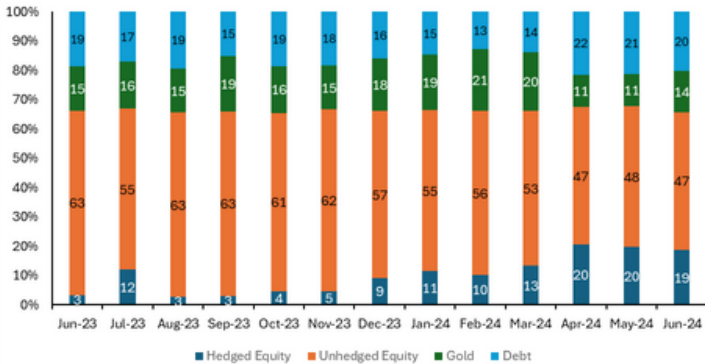
Historical performance as of 02-08-2024

Scheme Name	Returns (in %)				Rankings out of 29			
	6 mths	1 Year	2 Years	3 Years	6 mths	1 Year	2 Years	3 Years
UTI Multi Asset Allocation	16.10	38.67	27.46	18.81	3	4	3	4
Category Average	11.68	25.50	18.51	13.91				

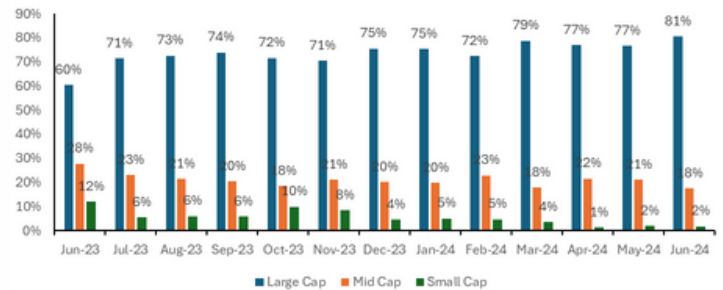
Rolling returns as of 02-08-2024

Scheme Name	Returns (in %)				Rankings out of 29			
	6 mths	1 Year	2 Years	3 Years	6 mths	1 Year	2 Years	3 Years
UTI Multi Asset Allocation	20.66	38.23	24.80	17.50	3	4	3	4
Category Average	11.69	25.21	16.58	13.52				

ASSET ALLOCATION



MARKET CAP ALLOCATION



Fund Strategy & About the Fund Manager

The fund invests across equity, fixed income and gold (minimum 10% allocation across each asset class) and follows a dynamic valuation driven asset allocation model based on a proprietary financial model.

Unhedged equity allocation – always between 40%-80% - based on 4 factors – PE ratio, PB ratio, Dividend Yield and Yield Gap, the first 2 factors are negatively correlated with higher PE or PB ratio indicating lower allocation towards equities and the latter 2 factors have a positive correlation, high dividend yield and high earnings yield point towards a higher allocation to equity.

Within equity, allocation is mainly driven as per factor strategies involving momentum, low volatility, quality and value (currently a combination of momentum and low volatility stocks). Currently the fund has unhedged equity exposure of around 48% which has been reduced from 63% in June 23 and of that the major allocation of around 80% is in large cap stocks which are relatively better priced as compared to other segments of the market.

Gold – minimum 10% allocation – based on Gold/Equity ratio (Gold – INR per 10 grams and equity – Nifty 50 TRI), if G/E ratio is significantly below the long term average of 2.68, they increase the allocation towards gold.

Mr. Sharwan Goyal has over 16 years of experience in risk management, equity research and fund management and has been managing the fund since last 2.5 years and he heads the passive, arbitrage and quant strategies at UTI.

Disclaimer: Mutual Fund investments are subject to market risks, read all scheme related documents carefully. The NAVs of the schemes may go up or down depending upon the factors and forces affecting the securities market including the fluctuations in the interest rates. The past performance of the mutual funds is not necessarily indicative of future performance of the schemes. The Mutual Fund is not guaranteeing or assuring any dividend under any of the schemes and the same is subject to the availability and adequacy of distributable surplus. Investors are requested to review the prospectus carefully and obtain expert professional advice about specific legal, tax and financial implications of the investment/participation in the scheme.