



INVESTOR WEBINAR

CORRECTIONS DON'T LAST, CONVICTION DOES

Presented by:

SANDIP AGARWAL

Co-Founder & Fund Manager

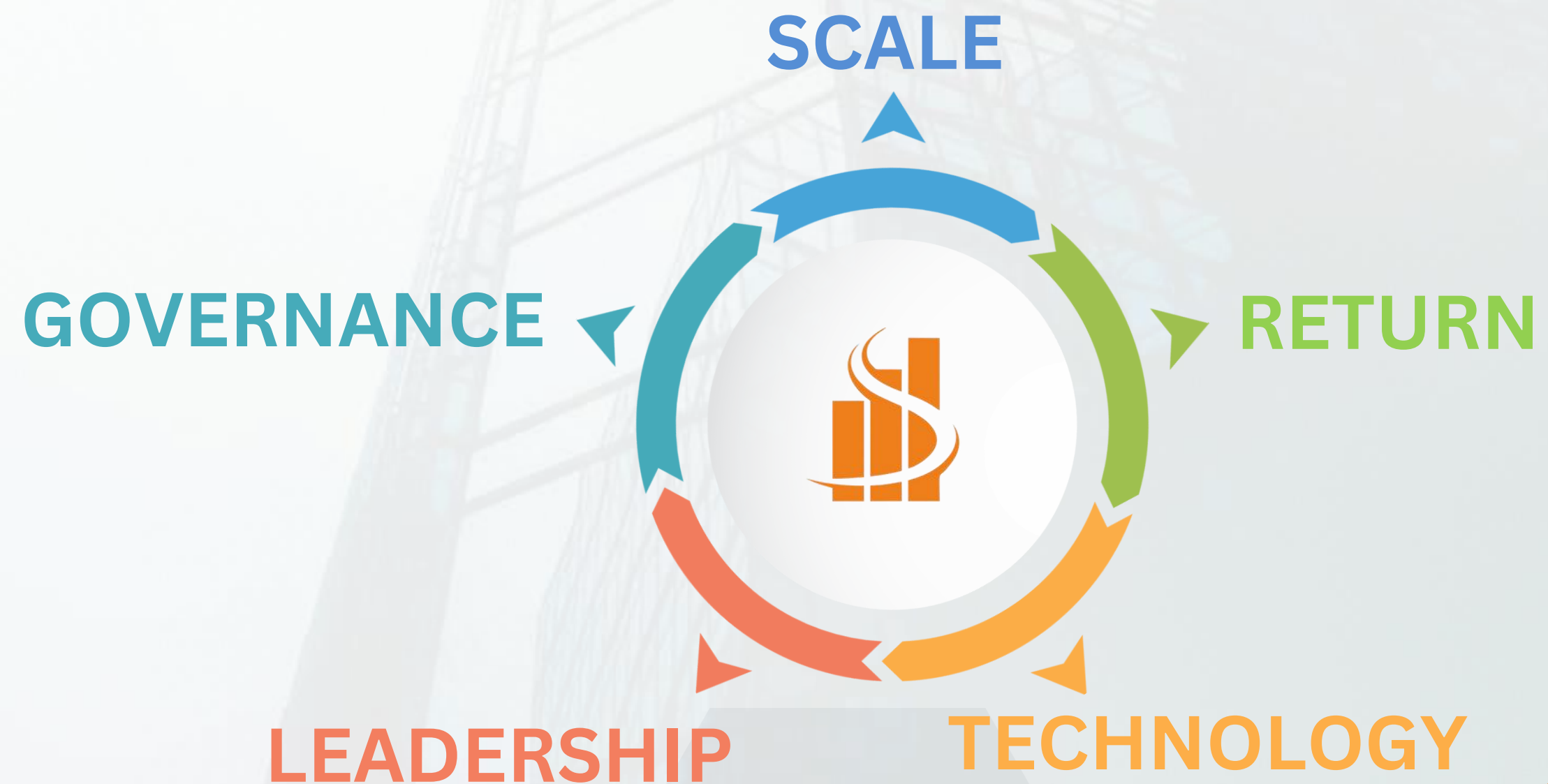
Sowilo Investment Managers LLP.

March 08, 2025 | Saturday
www.sowilo.co.in

INTRODUCTION

Sowilo Investment Managers LLP (“Sowilo”) is a boutique asset and wealth management firm catering primarily to Corporate, UHNI, HNI investors and Family offices in domestic as well as offshore markets.

OUR PHILOSOPHY



OUR ACHIEVEMENTS

within a year



PMS AIF WORLD
High Performance Investing

Ranked by



Top 10 Portfolios In Each Peer Group (Data as of 31st January 2025)

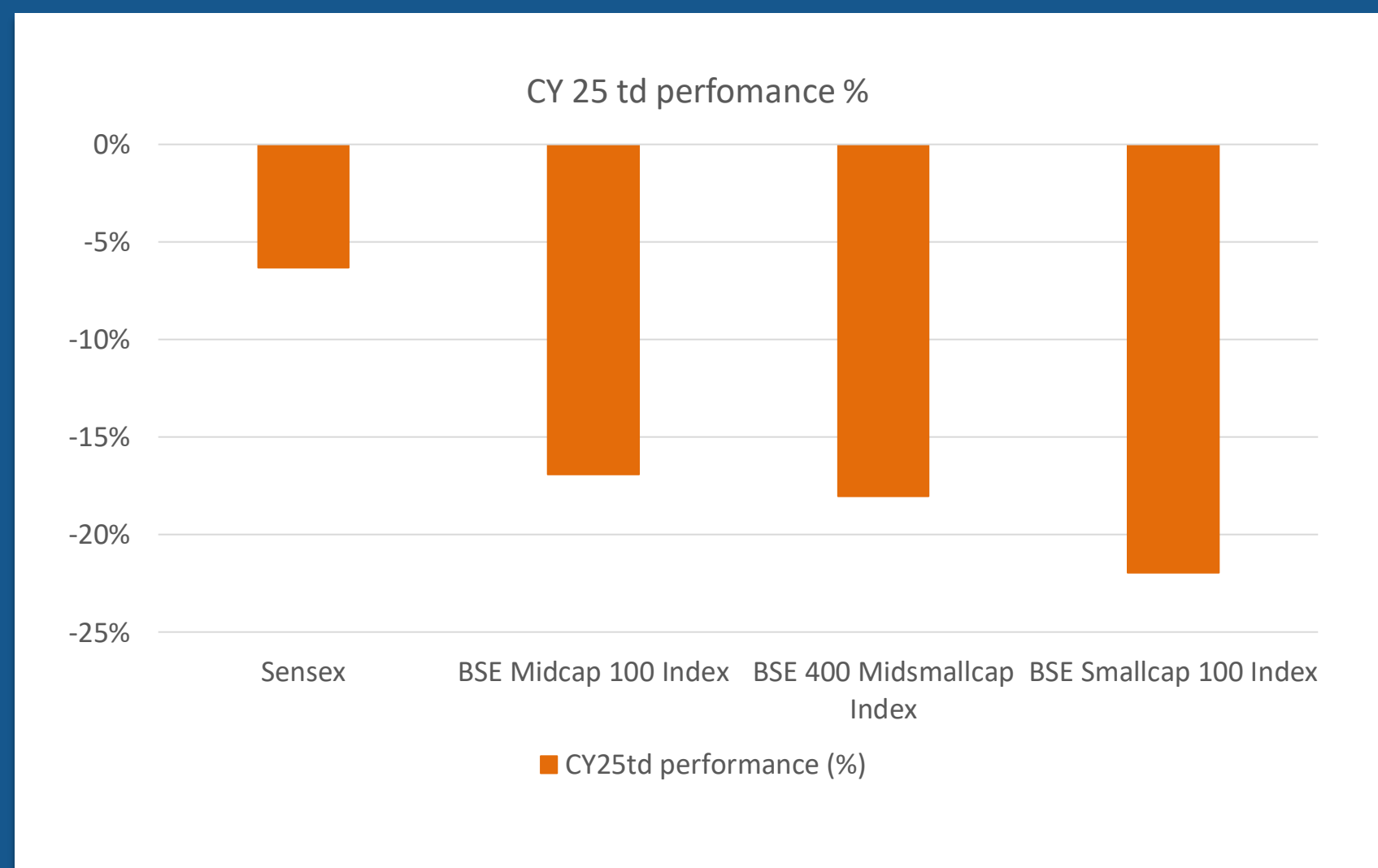
Peer Group 5: One Year Plus Peer Group											
Company	Strategy	AUM(Cr)	1M	3M	6M	1Y	2Y	3Y	5Y	SI	Market Cap
Valcreate Investment Managers	IME Digital Disruption	9.75	-15.33%	-4.10%	4.16%	28.40%	-	-	-	39.60%	Thematic
Motilal Oswal AMC	Founders	2,268.58	-16.47%	-10.51%	-5.87%	18.68%	-	-	-	39.97%	Multicap
Sowilo Investment Managers LLP	Target Return Aggressive Fund	58.2	-11.46%	-9.41%	-5.12%	19.03%	-	-	-	30.78%	Mid & Small Cap
Sowilo Investment Managers LLP	Multicap Fund	100.18	-8.45%	-9.04%	-6.81%	12.97%	-	-	-	29.69%	Multicap
Ckredence Wealth Management Pvt Ltd	Business Cycle Fund	-	-8.71%	-6.25%	-2.18%	12.55%	-	-	-	22.24%	Multicap
Valcreate Investment Managers	IME Concentrated Microtrends	40.54	-6.07%	-7.36%	-8.94%	9.21%	-	-	-	24.41%	Large & Midcap
BAY Capital Investment Advisors Pvt Ltd	India Opportunities Portfolio	-	-5.26%	-5.36%	-4.66%	7.30%	-	-	-	20.30%	Multicap
Marathon Trends	Trend Following	444.22	-10.44%	-8.90%	-12.73%	5.20%	-	-	-	30.06%	Multicap
Alchemy Capital Management	Smart Alpha 250	-	-13.80%	-9.90%	-16.80%	7.90%	-	-	-	24.90%	Large & Midcap
Valcreate Investment Managers	Life Sciences and Specialty Opportunities Strategy	9.41	-9.34%	-12.75%	-8.38%	14.68%	-	-	-	18.21%	Thematic

Market correction:

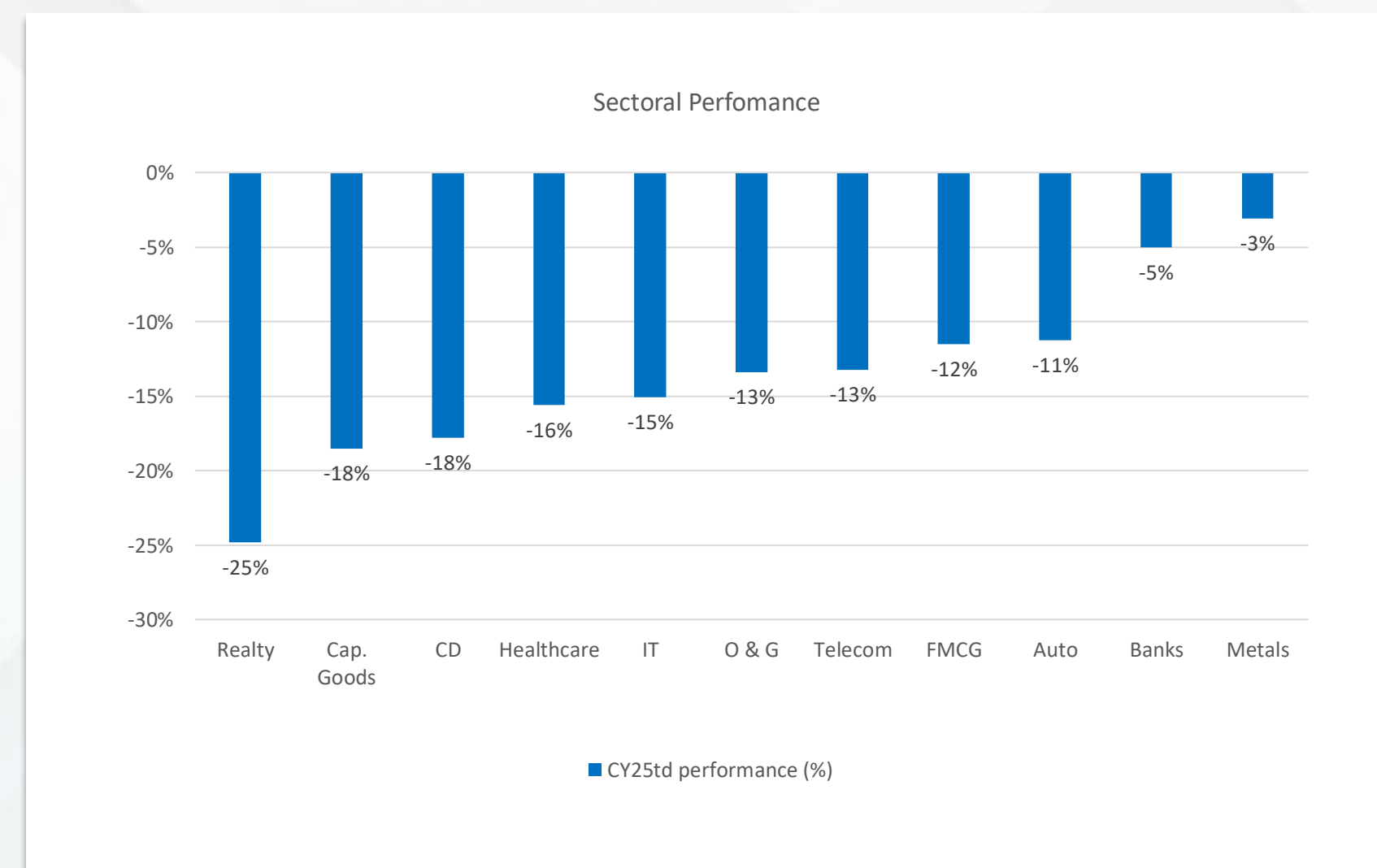
Talk of the town!

Indian equity markets have seen sharp correction

Sharp cut in Mid and small cap space



Sector-wise Performance

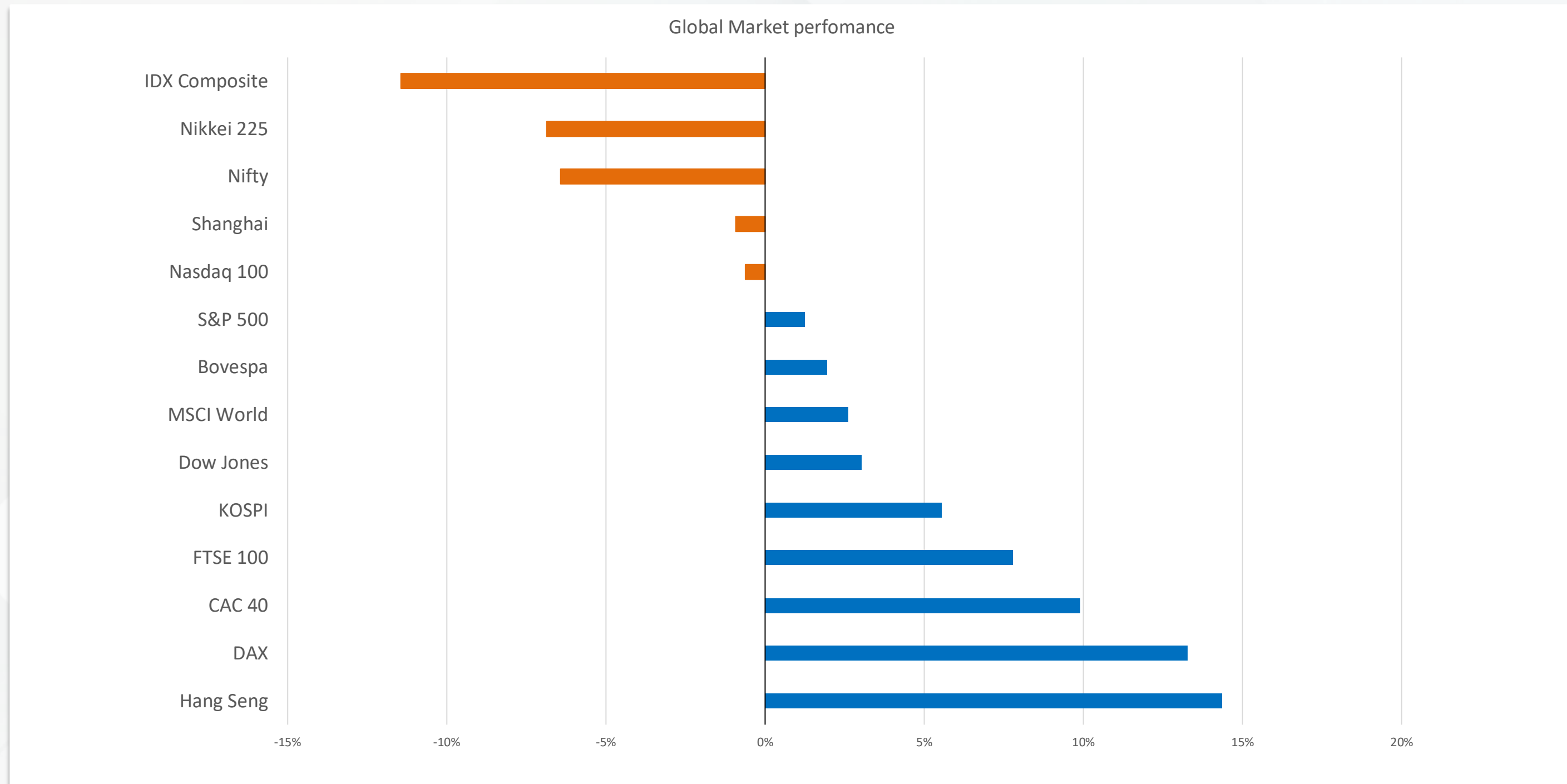


Source: BSE website

Note: Updated as of Feb 28, 2025

GLOBAL MARKETS SNAPSHOT

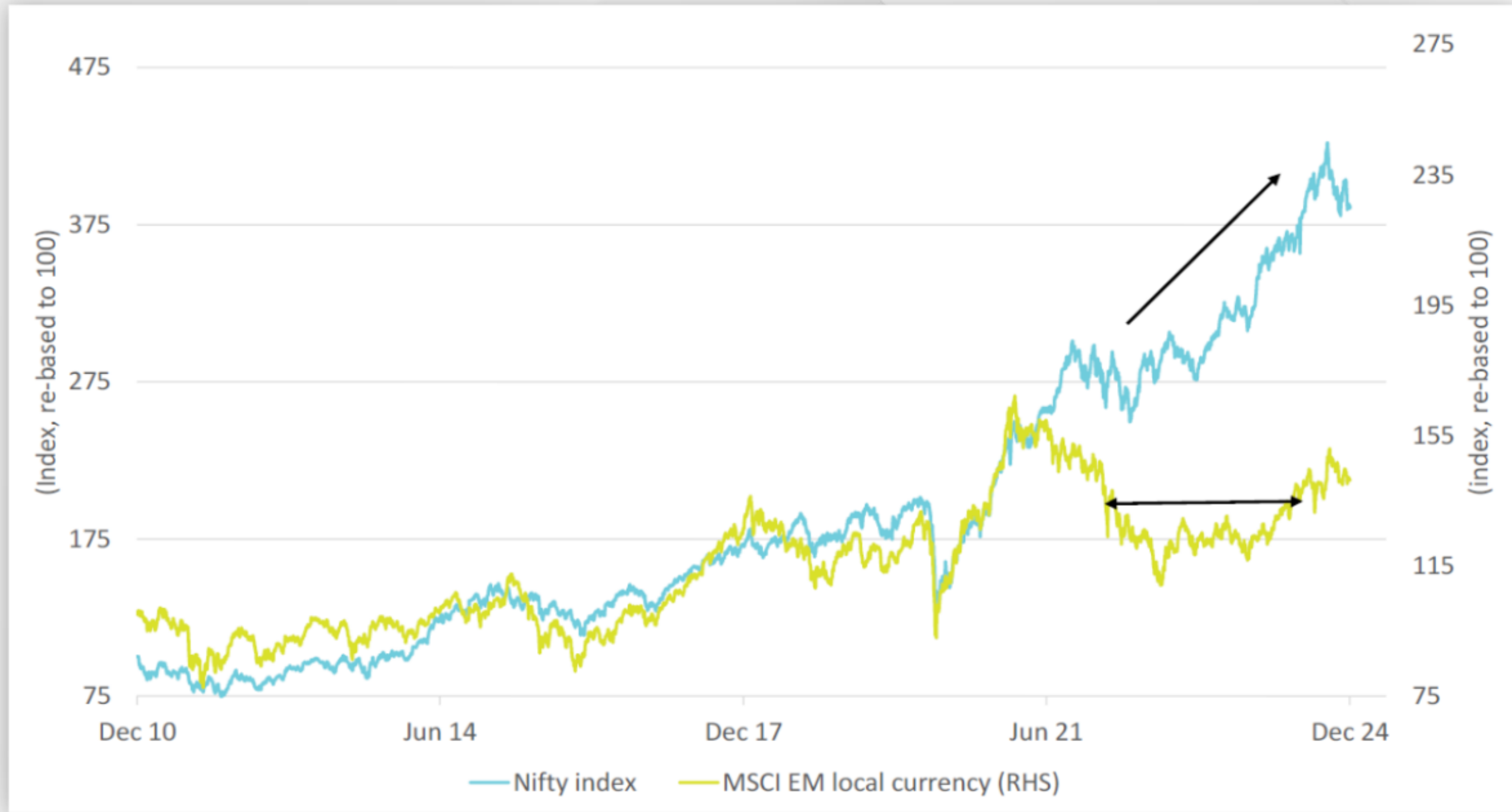
Indian markets seeing sharp correction while global markets hold steady



Source: Investing.com
Note: Updated as of Feb 28, 2025

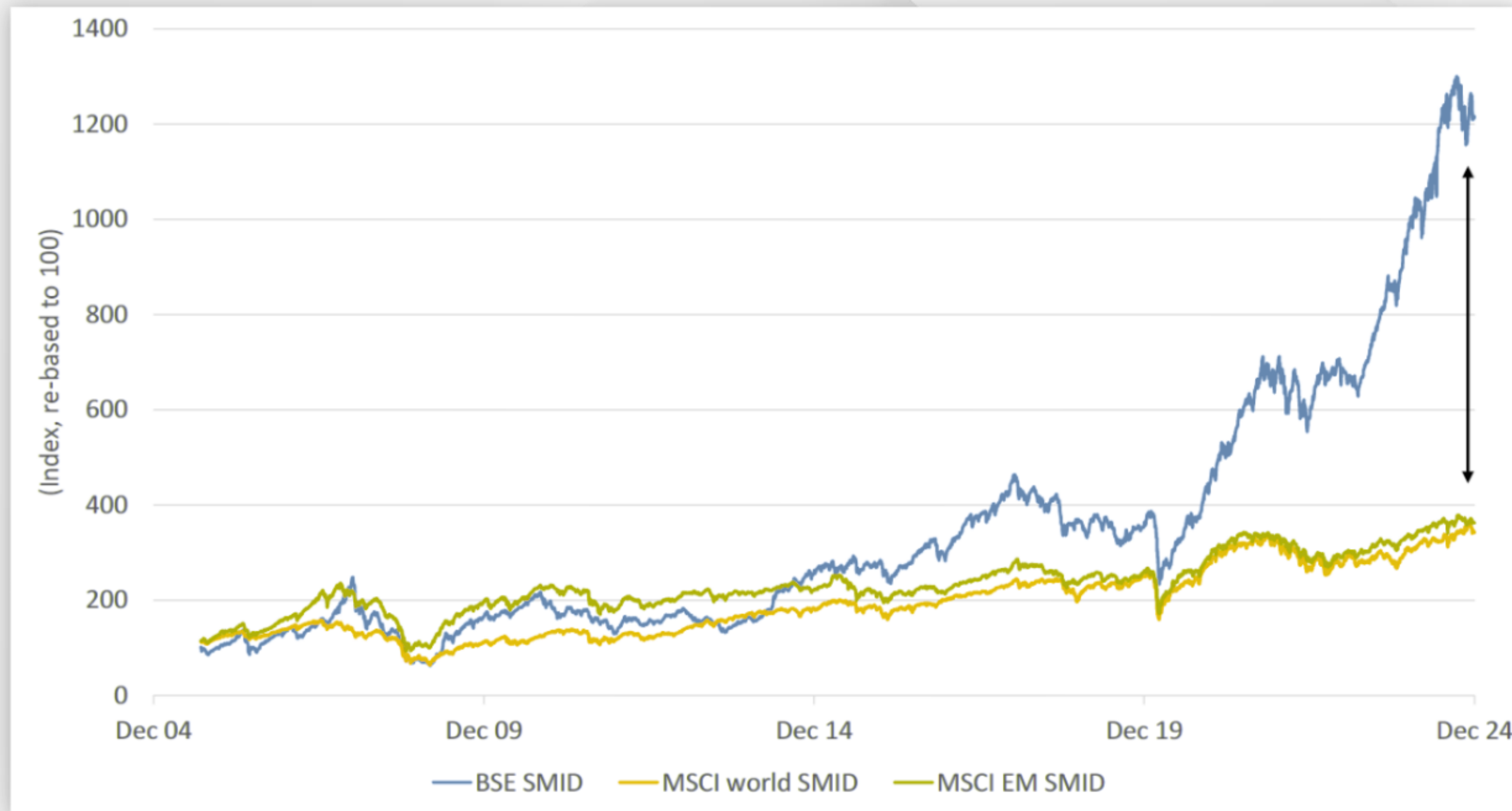
**What's causing
the pain?**

INDIA HAD SIGNIFICANTLY OUTPERFORMED EMs.....



Source: Nuvama research

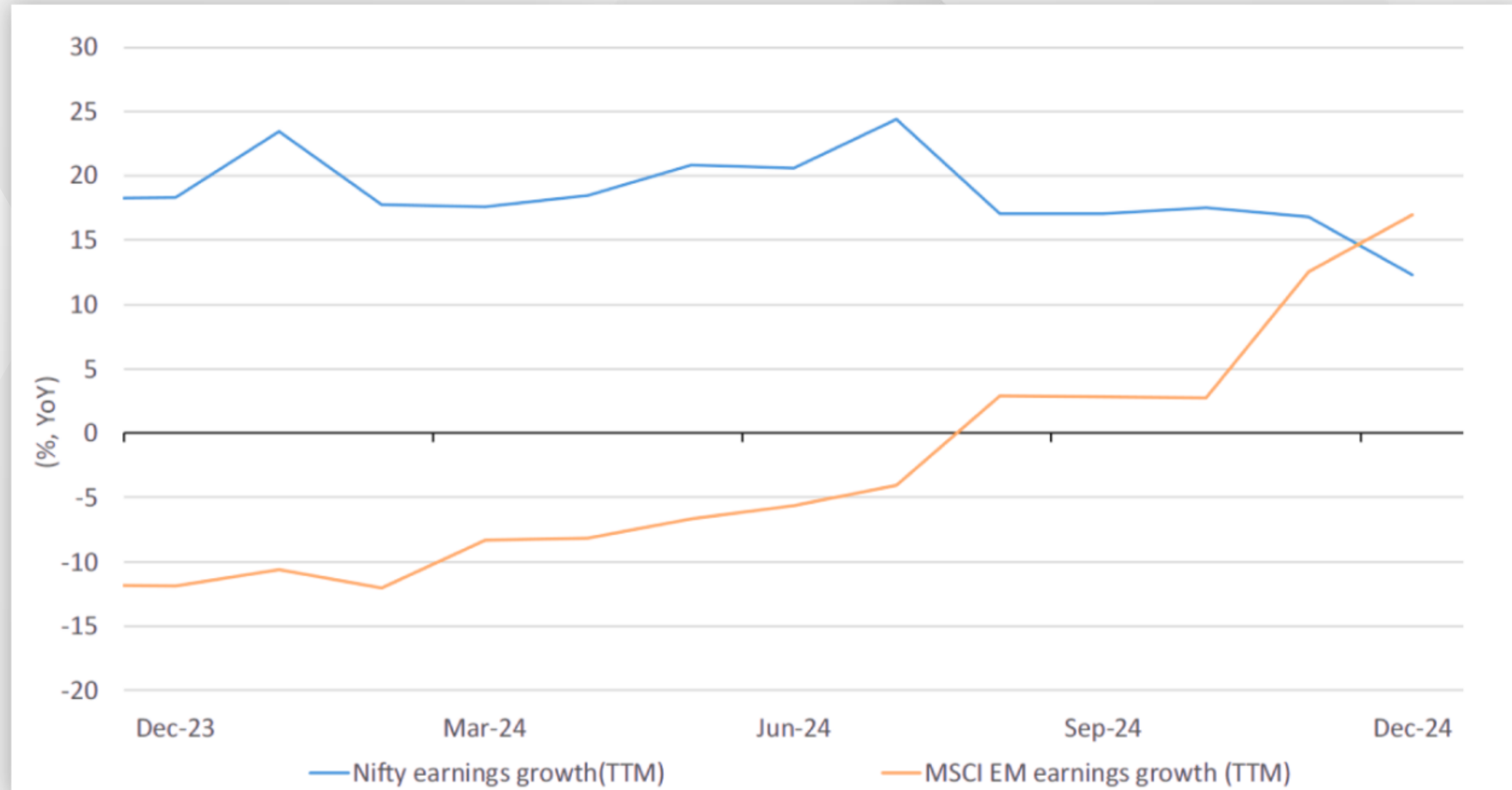
OUTPERFORMANCE WAS ESPECIALLY STARK IN SMID_s



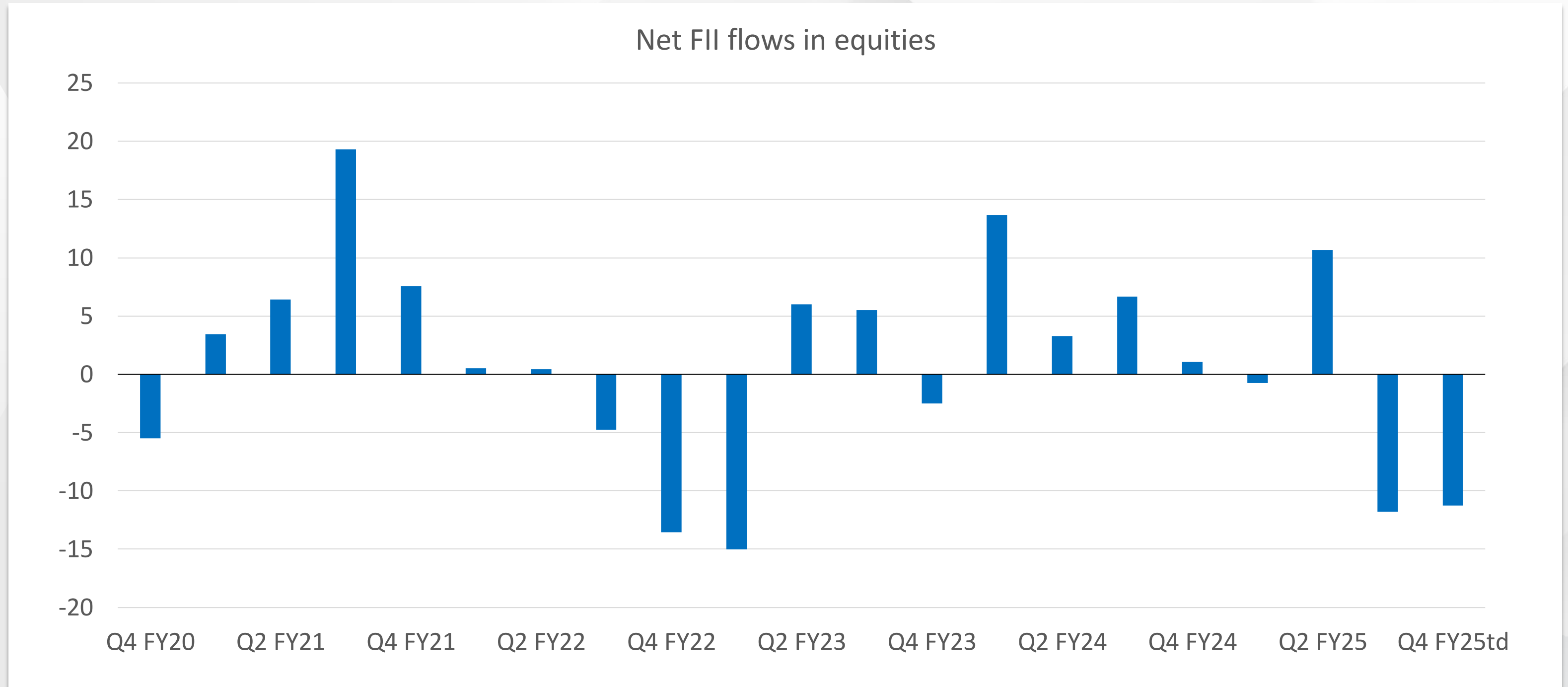
Source: Nuvama research

BUT NOW GAP BETWEEN INDIA AND EM EARNINGS GROWTH HAS VANISHED

India's earnings are now re-conciling with EMs



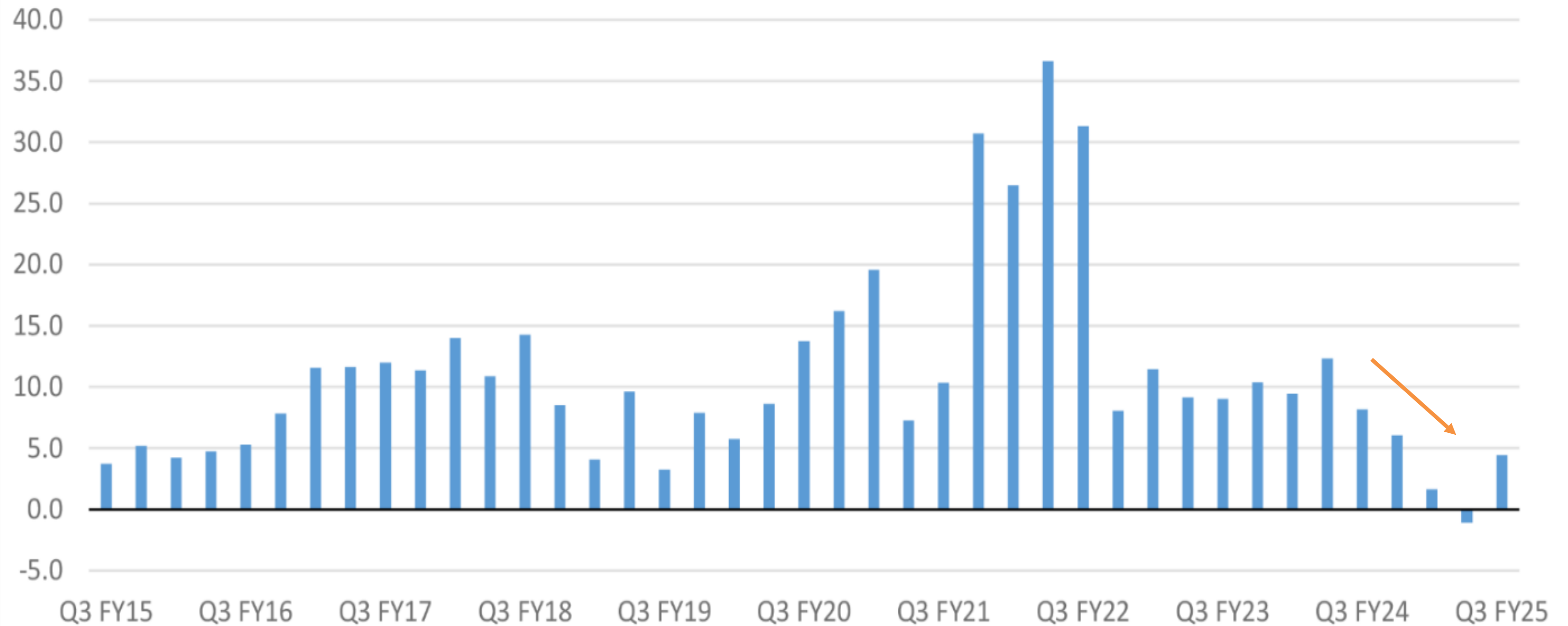
THIS COUPLED WITH RELENTLESS FII SELLING



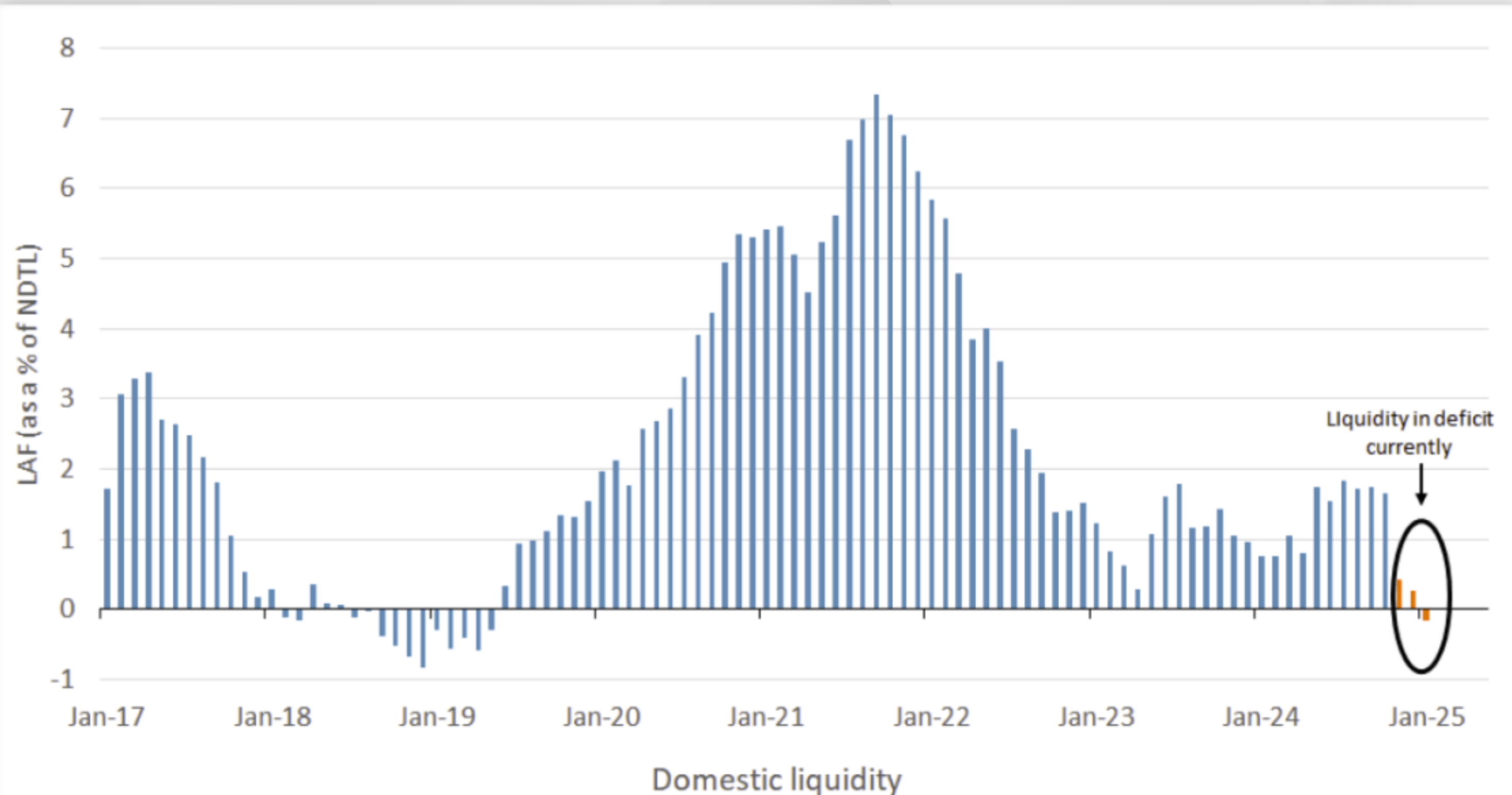
Source: Bloomberg

SLOWDOWN IN GOVERNMENT SPENDING

Total central government spending (4qma, % YoY)



AND DOMESTIC LIQUIDITY TURNING INTO DEFICIT, WEIGHED ON MARKETS



VOLATILITY FURTHER INCREASED DUE TO RISE IN USD/UST...



...AND TARIFF ANNOUNCEMENTS BY MR. TRUMP





What next?

MARKETS ALWAYS FIND A REASON TO BOUNCE BACK

How have markets reacted in the next 1Y post corrections*

Correction Period	No of days of market correction	Nifty50 TRI returns	1Y returns post correction
Mar'15-Sep'15	188	-15.26%	17.97%
Sep'16- Dec'16	109	-11.53%	32.24%
Jan'18-Mar'18	53	-9.85%	16.09%
Aug'18-Oct'18	59	-14.41%	17.52%
Feb'20-Mar'20	40	-37.46%	88.33%
Oct'21-Dec'21	63	-9.93%	9.97%
Jan'22-Mar'22	49	-13.18%	12.20%
Apr'22-June'22	74	-14.83%	24.44%
Dec'22-Mar'22	113	-9.84%	31.89%
Sep'24- Jan'25	127	-10.07%	?
Avg	88 days	-14.64%	27.85%

*Note: Period with ~+10% corrections in the last 10 years have been considered

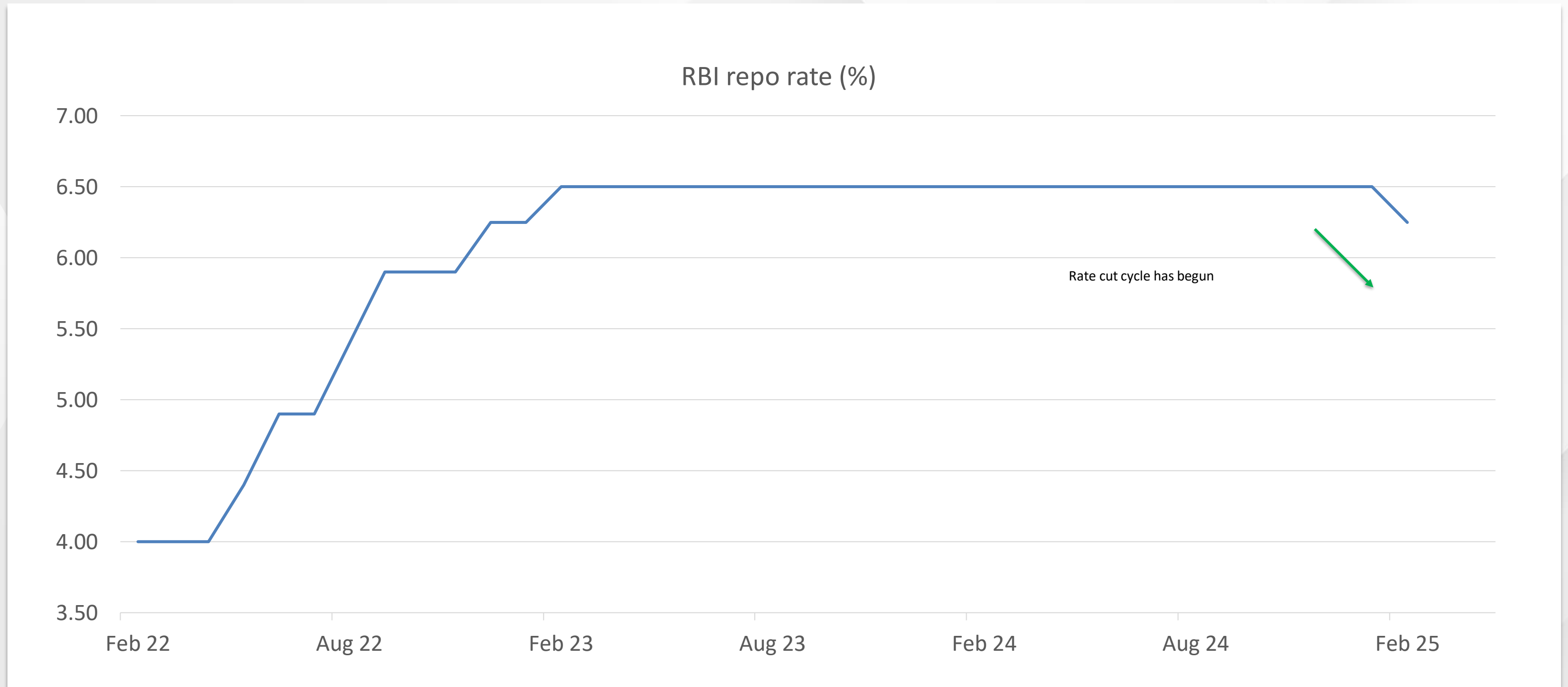
Source: Edelwise Mutual Fund

POTENTIAL FACTORS TO AID MARKETS

1. Budget announcements – Benefits for middle class

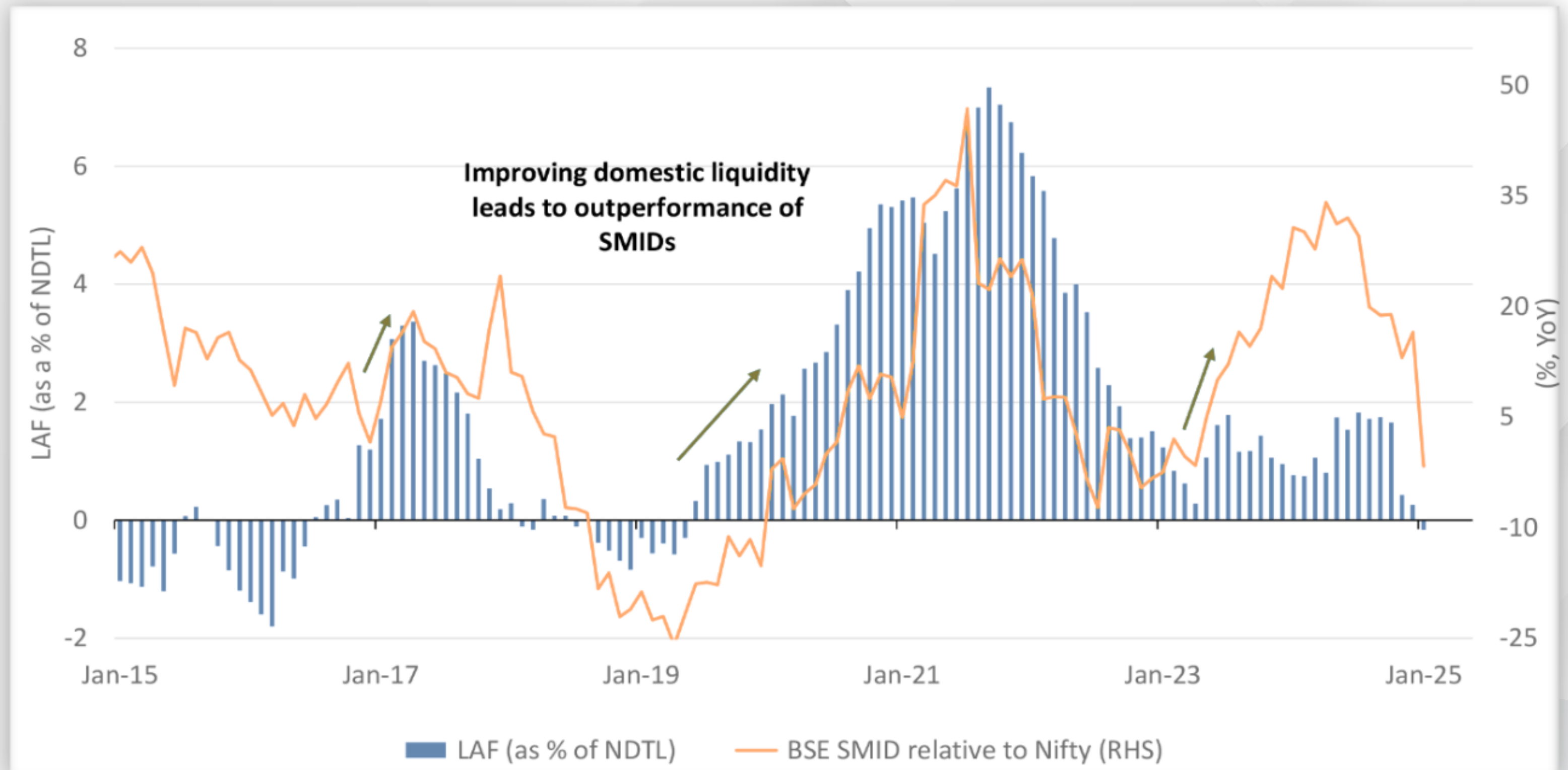
Income	Tax on Slabs and rates		Benefit of	Rebate benefit	Total Benefit	Tax after rebate Benefit
	Present	Proposed	Rate/ Slab	Full upto Rs 12 Lacs		
8 lac	30,000	20,000	10,000	20,000	30,000	0
9 lac	40,000	30,000	10,000	30,000	40,000	0
10 lac	50,000	40,000	10,000	40,000	50,000	0
11 lac	65,000	50,000	15,000	50,000	65,000	0
12 lac	80,000	60,000	20,000	60,000	80,000	0
16 lac	170,000	120,000	50,000	0	50,000	120,000

2. RBI Has Embarked on rate cut cycle

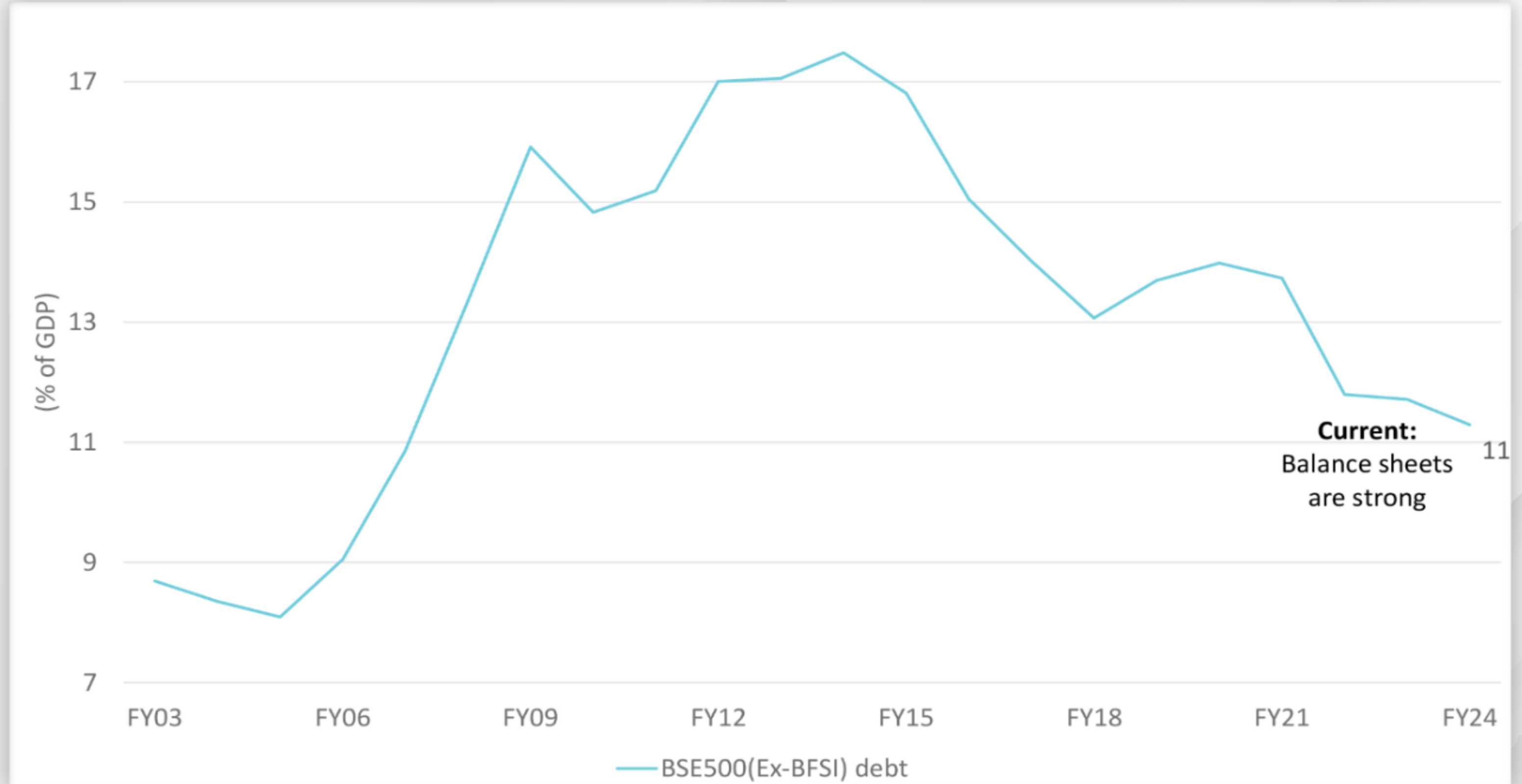


Source: RBI website

3. RBI HAS TAKEN MEASURES TO IMPROVE DOMESTIC LIQUIDITY - THIS WILL AID SMIDS MARKET PERFORMANCE



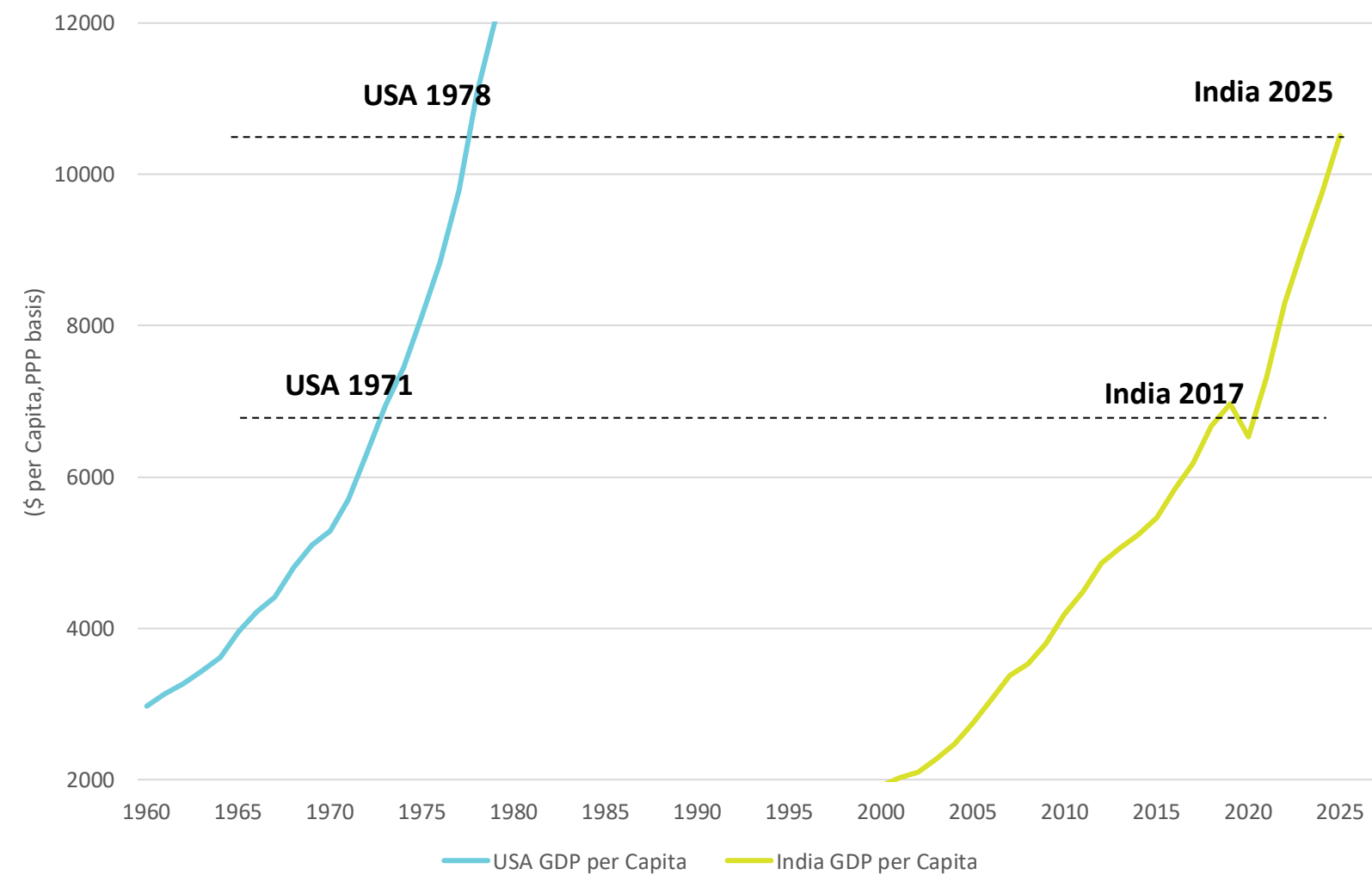
4. STRONG CORPORATE BALANCE SHEETS



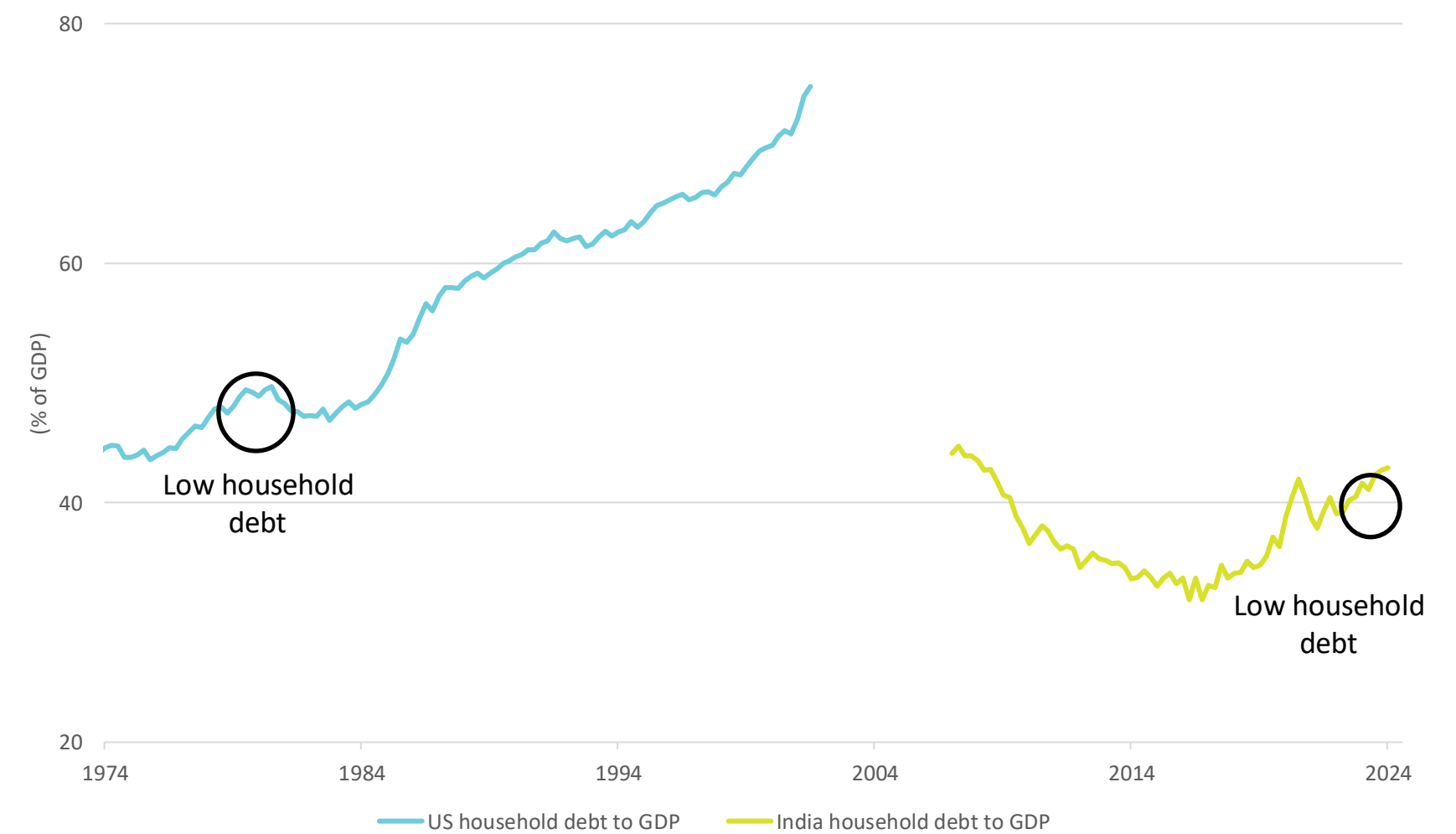
Beyond the near term

1.) EQUITY SAVINGS CULT: INDIA IN FOOTSTEPS OF US OF 1980S

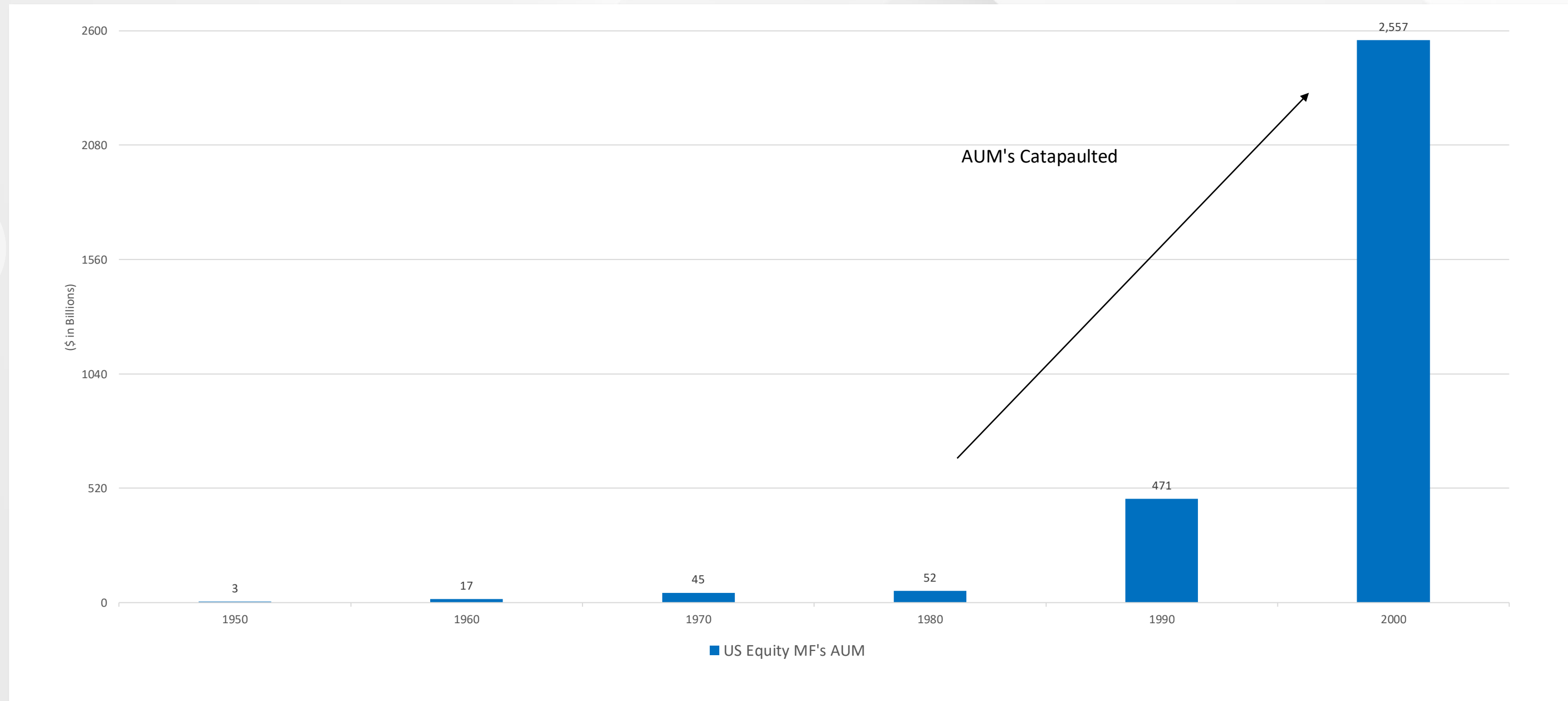
India's per capita incomes resonates with 1980s' US...



...so does its low household debt

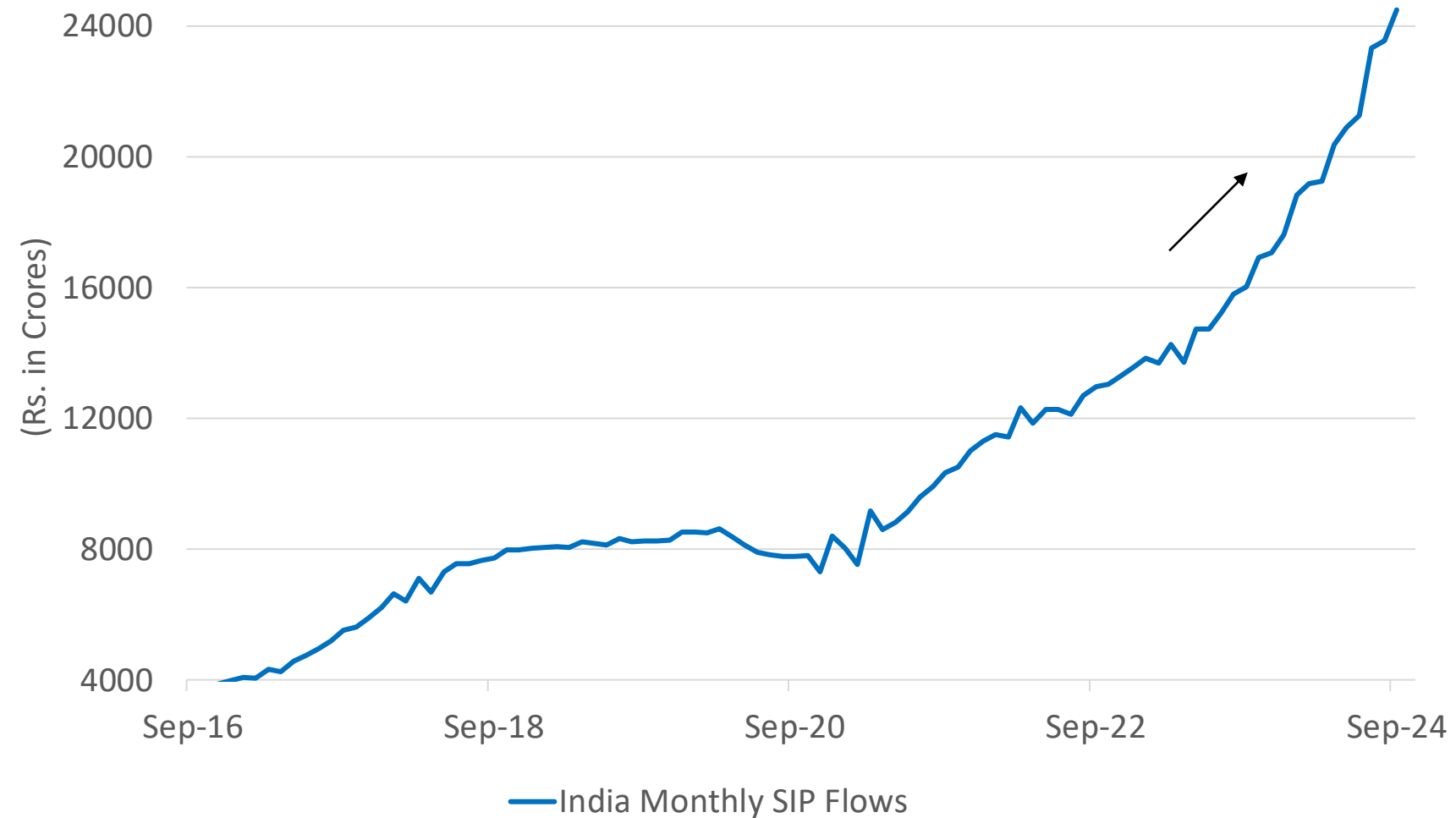


IN THE US, THIS COMBINATION RESULTED IN A SURGE OF EQUITY INFLOWS

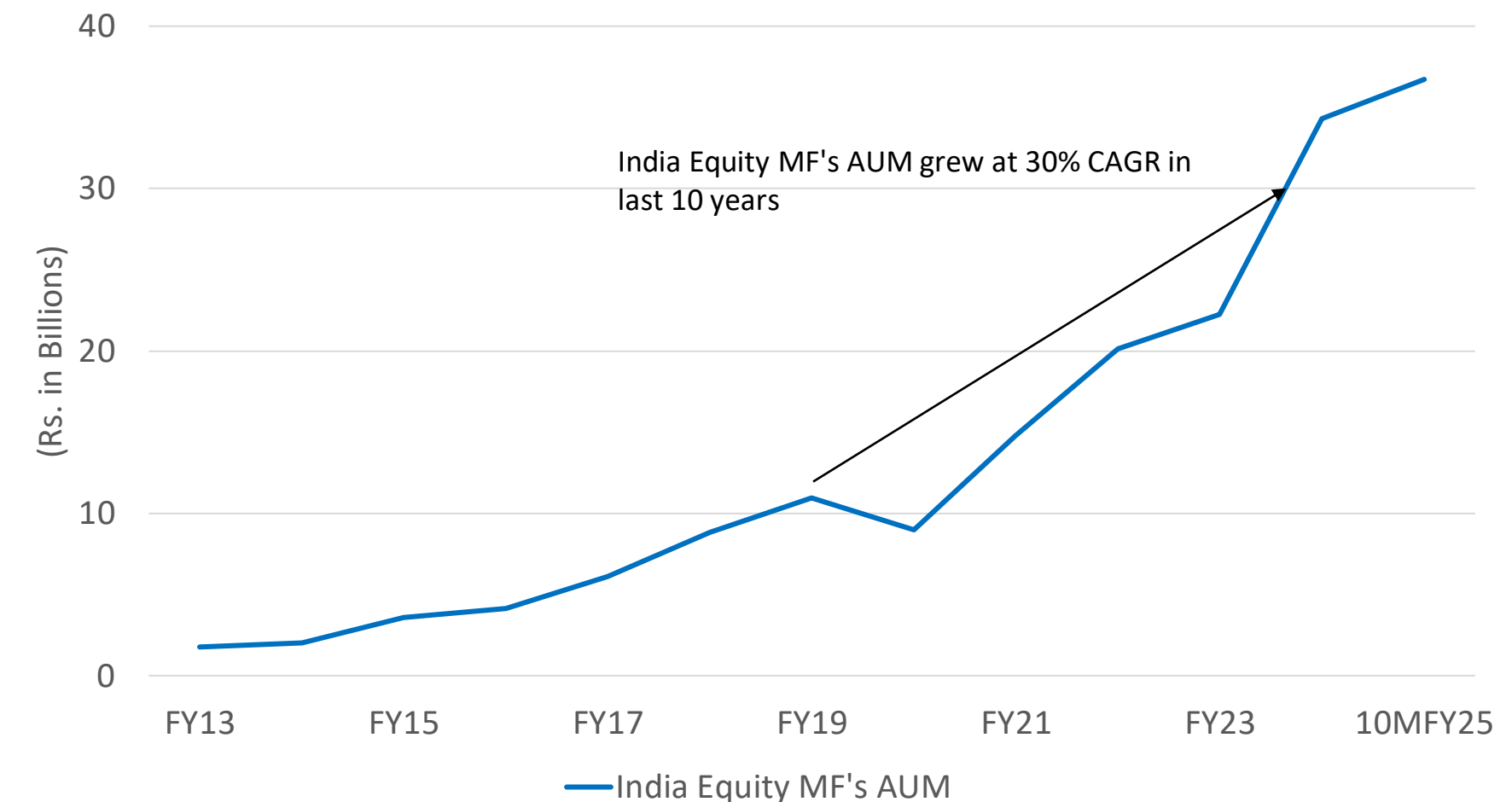


IN INDIA TOO, TELLTALE SIGNS OF EQUITY SAVINGS CULT VISIBLE

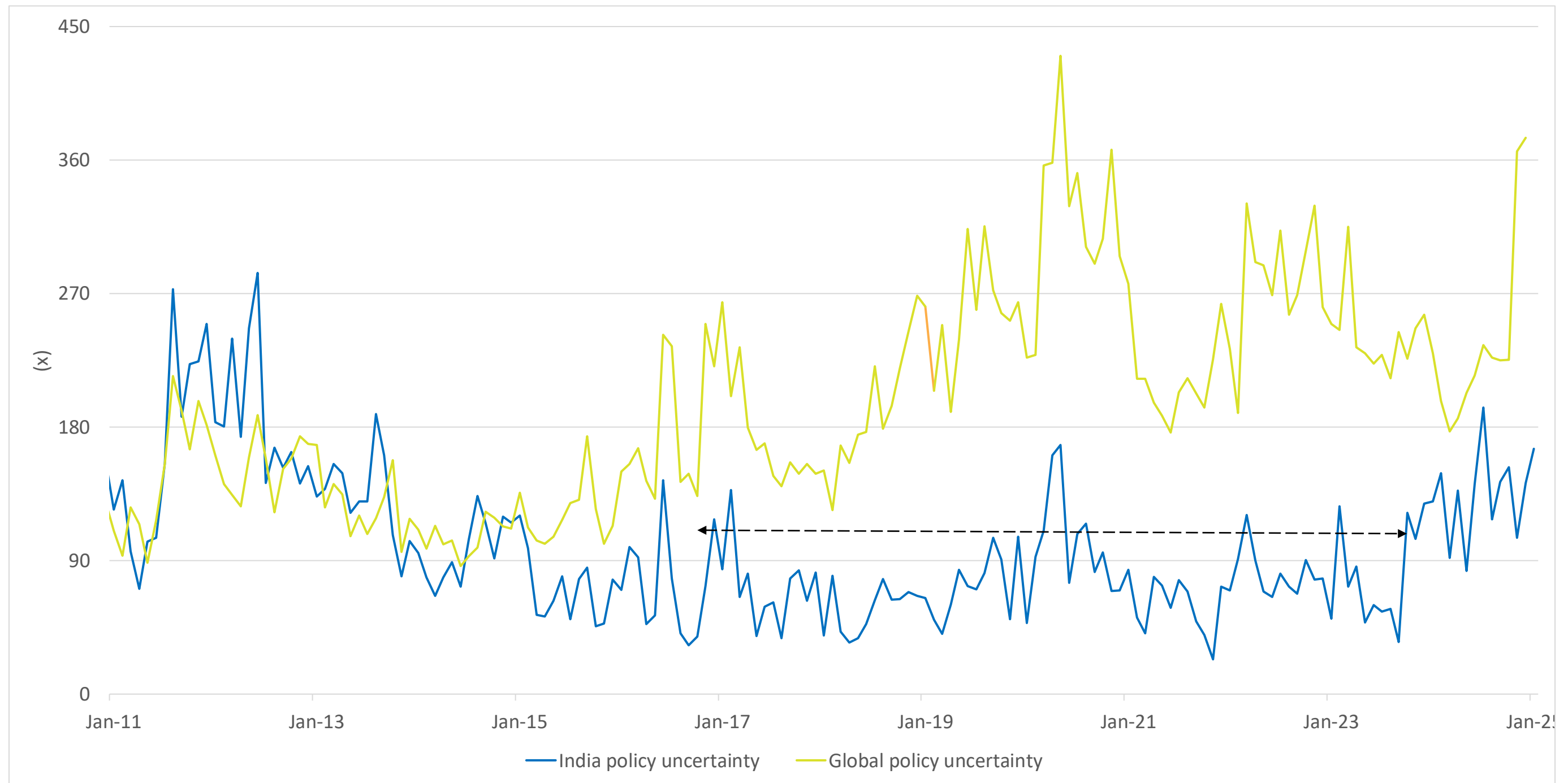
India's monthly SIP flows have been strong....



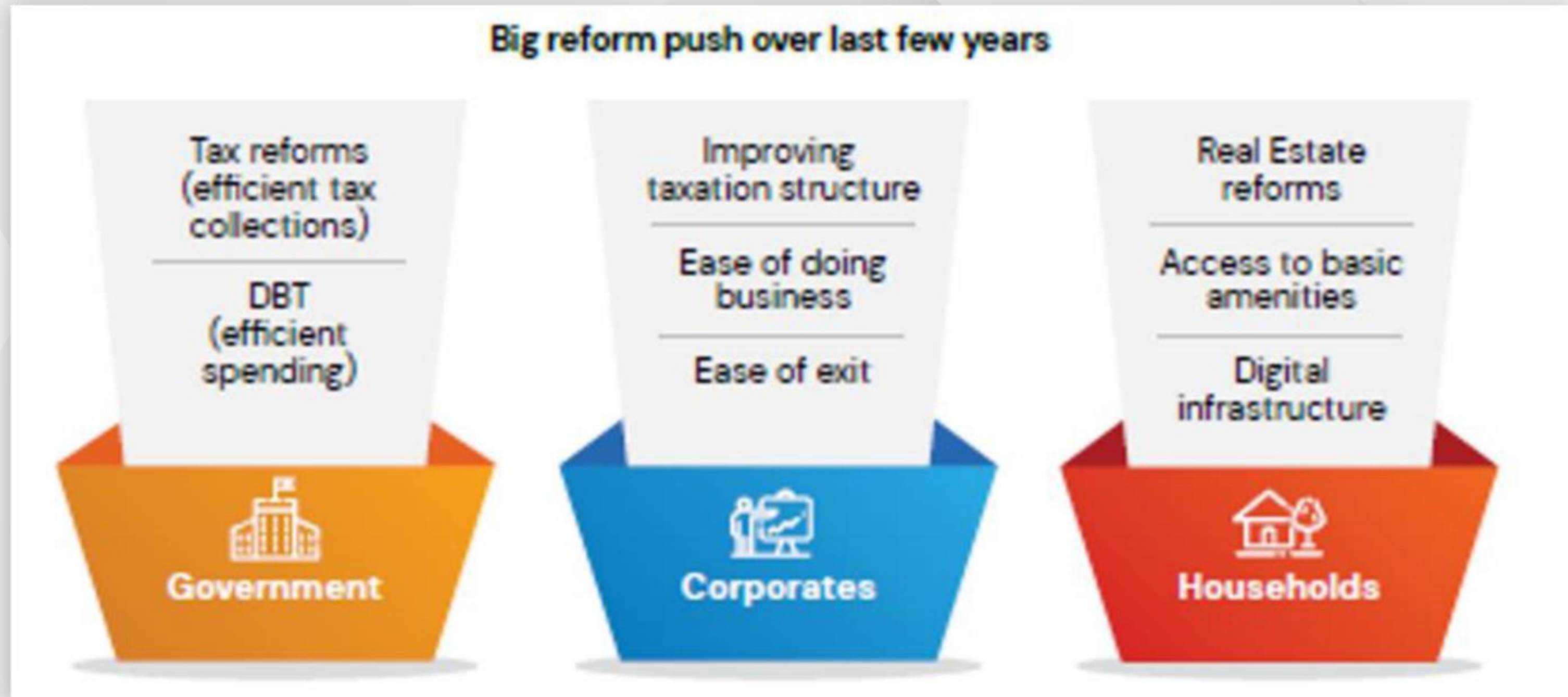
...Equity Funds have been large inflows



2.) INDIA IS AN ISLAND OF ECONOMIC CERTAINTY IN AN UNCERTAIN WORLD RIFE WITH MEGA CHALLENGES, INCLUDING GEOPOLITICAL RISKS

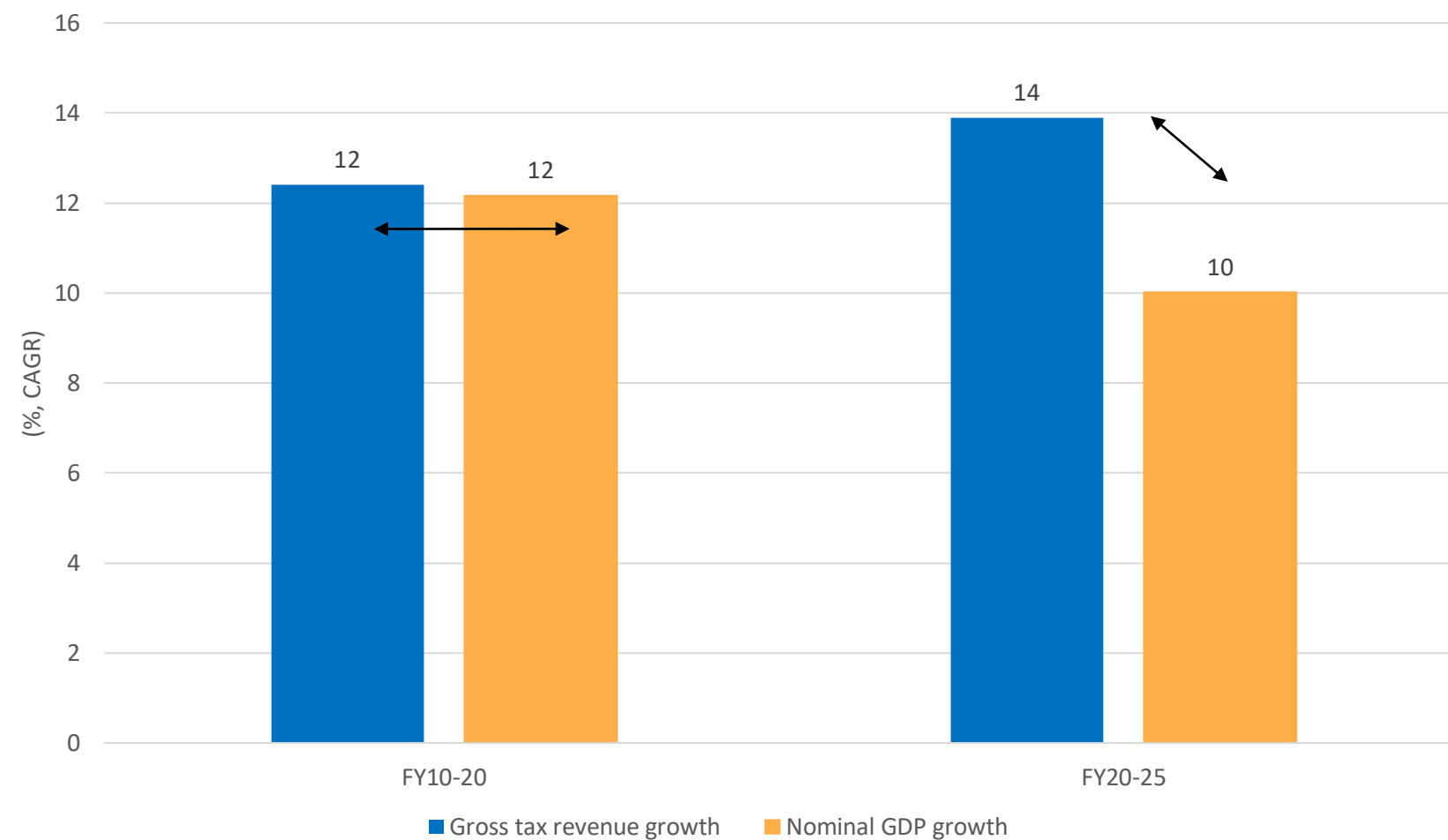


3.) REFORMS: ALL ENCOMPASSING

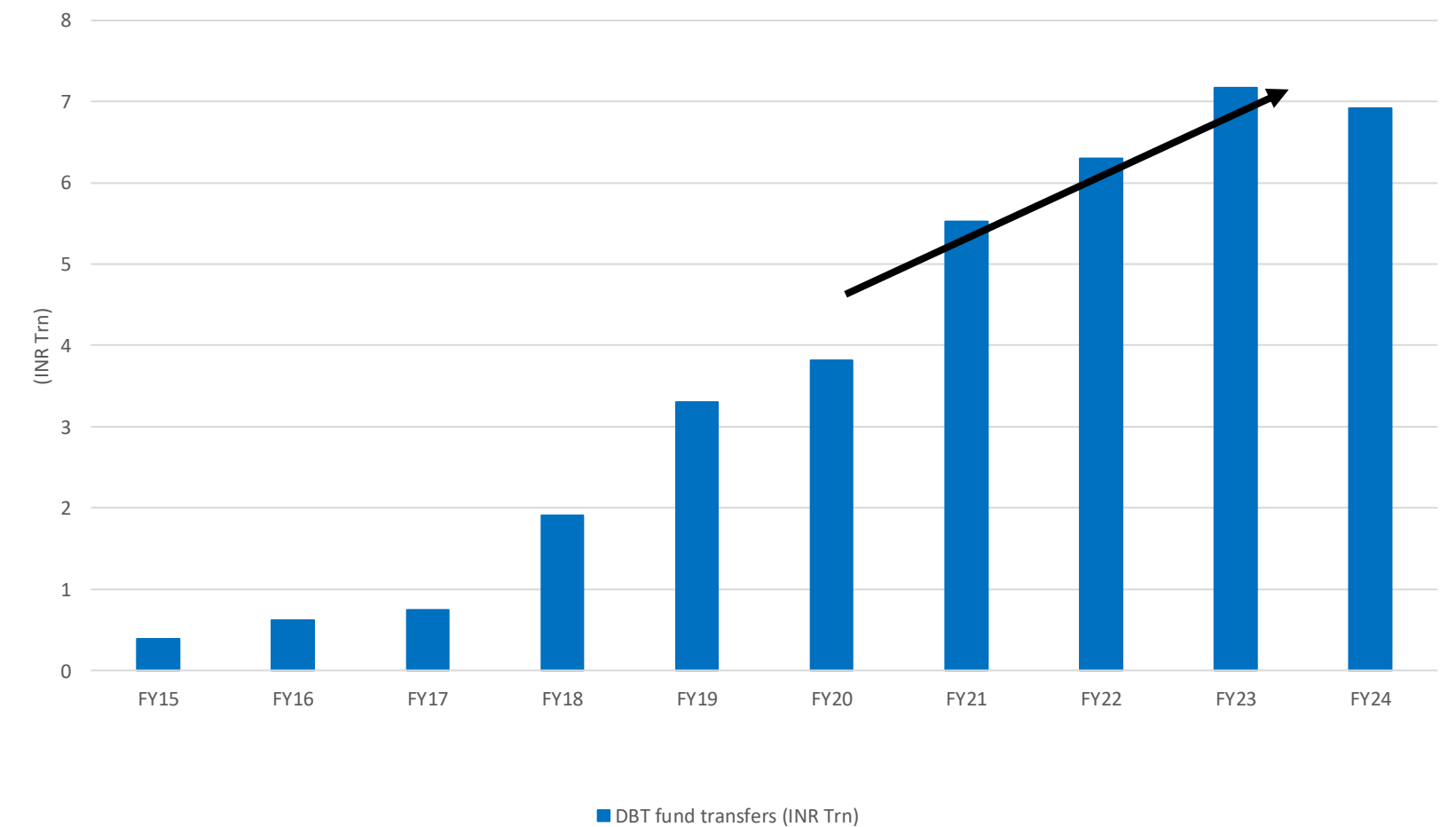


A.) GOVERNMENT SECTOR REFORMS: MODERNISATION THROUGH GST AND DBT

GST has brought efficiency in tax collections

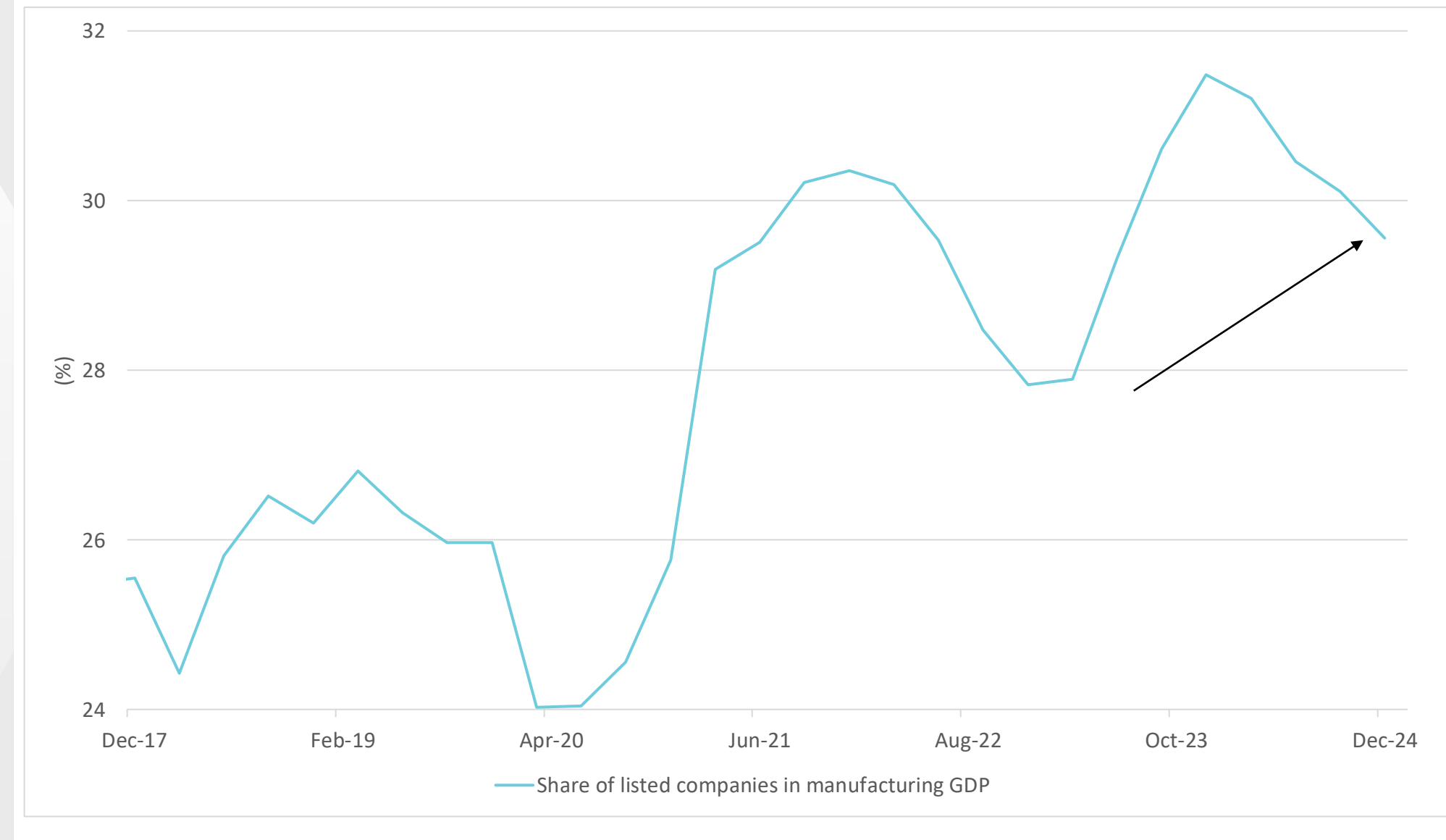


Direct Benefits Transfer is helping plus leakages in spending



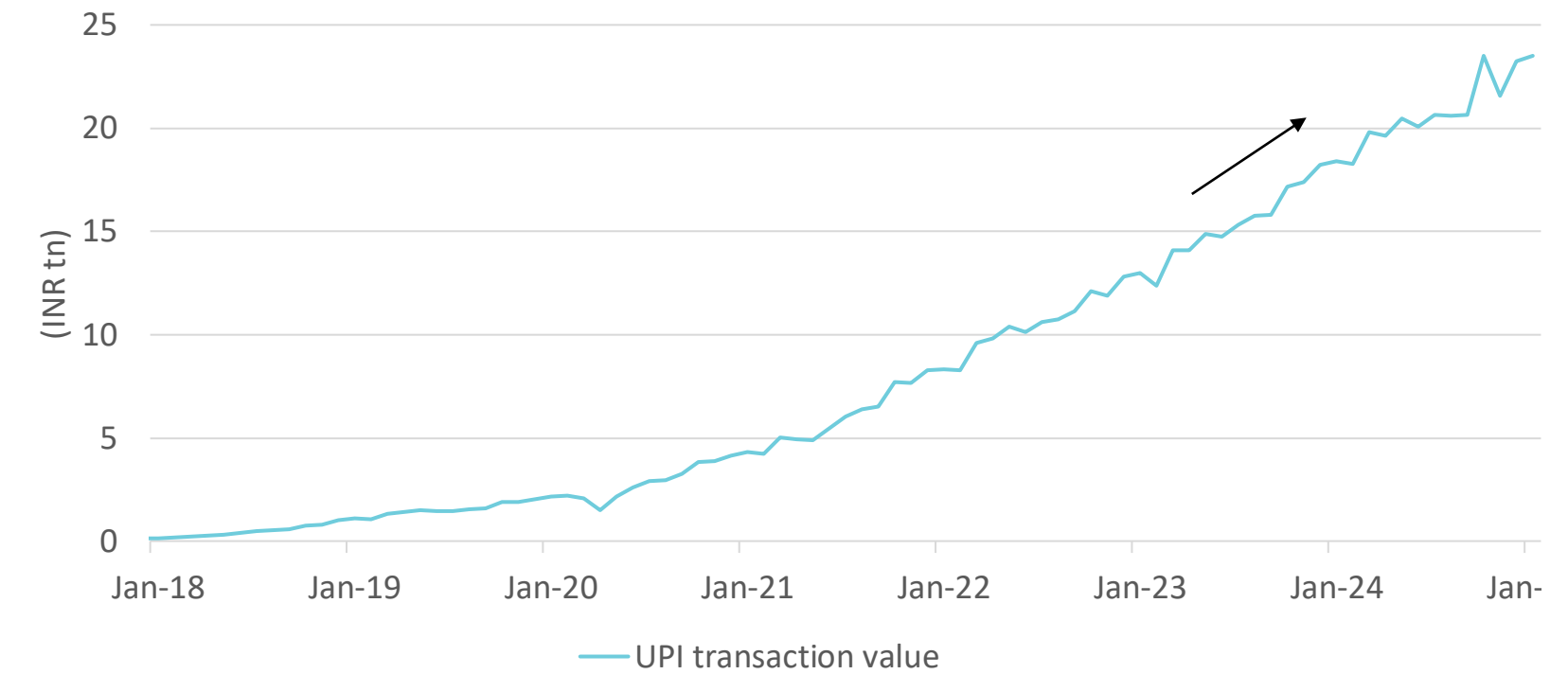
B.) CORPORATE SECTOR REFORMS: JUMP IN FORMALIZATION

Listed/organised companies have gained significant market share post-covid

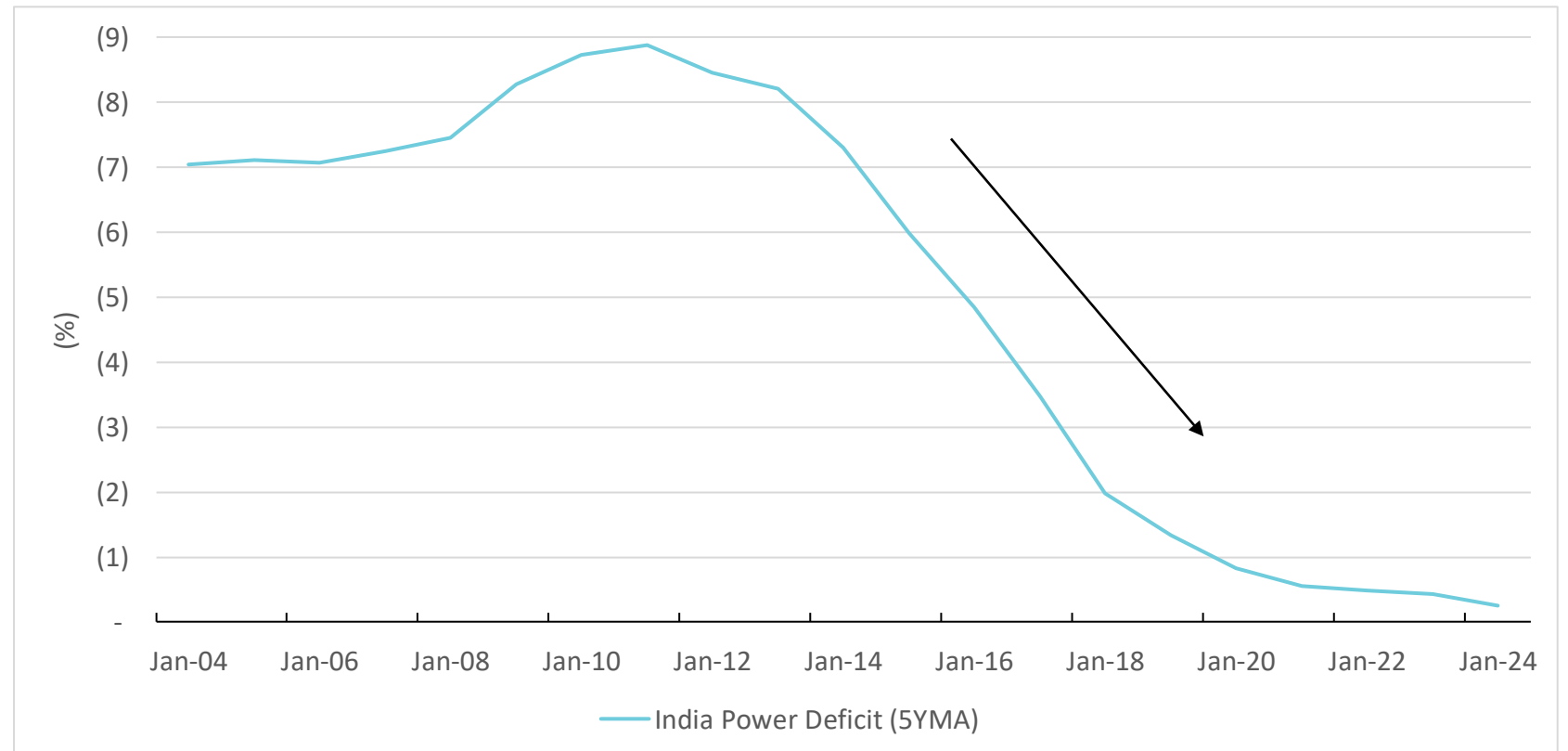


C.) HOUSEHOLD SECTOR REFORMS: EMPOWERING MASSES

India's digital infrastructure: Unprecedented adoption among masses



From power woes to surplus: India's power deficit too has narrowed



Investment Strategy

Focus on Bottom-up Research Ideas

REAL WEALTH CREATION IN SMID SEGMENT

In 11 of the past 17 CY, mid and small caps have outperformed large caps

	Large Cap (%)	Mid Cap (%)	Small Cap (%)
CY2008	(53.07)	(64.94)	(68.58)
CY2009	84.88	113.87	117.37
CY2010	19.28	20.07	17.63
CY2011	(24.93)	(31.01)	(35.07)
CY2012	32.51	46.69	40.39
CY2013	7.89	(1.28)	(6.44)
CY2014	34.88	62.67	71.66
CY2015	(1.26)	9.70	11.27
CY2016	5.01	6.53	1.39
CY2017	32.88	55.73	58.47
CY2018	2.57	(12.62)	(26.15)
CY2019	11.83	0.62	(7.26)
CY2020	16.08	25.56	26.46
CY2021	26.45	48.16	63.34
CY2022	4.94	3.91	(2.64)
CY2023	21.24	44.61	49.09
CY2024	12.95	24.46	27.21
CYTD	(3.85)	(11.04)	(15.47)

Source: Bloomberg
Noted as of Feb end

KEY THEMES - 1

Financialization of Household Savings

- > Rapid shift from physical assets to financial instruments.
- > Demat accounts surpassed 150 million in 2024.
- > Growth driven by rising disposable incomes, digital platforms, and financial literacy.
- > Household savings increasingly directed into markets, enhancing economic resilience.
- > Supports long-term capital formation and market expansion.
- > Strengthens India's position as a financial powerhouse

KEY THEMES - 2

Water Sector in India

- > ₹70,000 crore budget allocation for supply and sewage projects in 2024-25.
- > Only 40% of sewage currently treated, indicating infrastructure gaps.
- > Industry poised for 12-15% annual growth, driven by urbanization and government initiatives.
- > Investments in technology and efficient water management solutions driving growth.
- > Increasing private sector participation.
- > Key to ensuring sustainable water security.

KEY THEMES - 3

Contract Manufacturing

- > Growth driven by Global supply chains expanding to Indian territory as they aim to diversify to mitigate geo-political risks
- > Government incentives and skilled workforce supporting expansion.
- > PLI scheme also aiding Indian companies: Electronics exports have recorded sharp increase, with a \$120 billion target by FY26.
- > India emerging as a key alternative hub for global manufacturers.
- > Pharma, biotech, and tech sectors attracting major investments.

KEY THEMES - 4

Specialty Chemicals – Europe's Decline, India's Rise

- > Europe's industry struggling due to high energy costs and Chinese competition; record number of factory closures in Europe in this space
- > India growing at 13% annually, emerging as an R&D and export hub.
- > Valuations stabilizing, making the sector attractive for investments.
- > Multinationals shifting operations to India for cost efficiency and regulatory support.
- > Strong potential for sustained expansion.

SCHEME-WISE PERFORMANCE

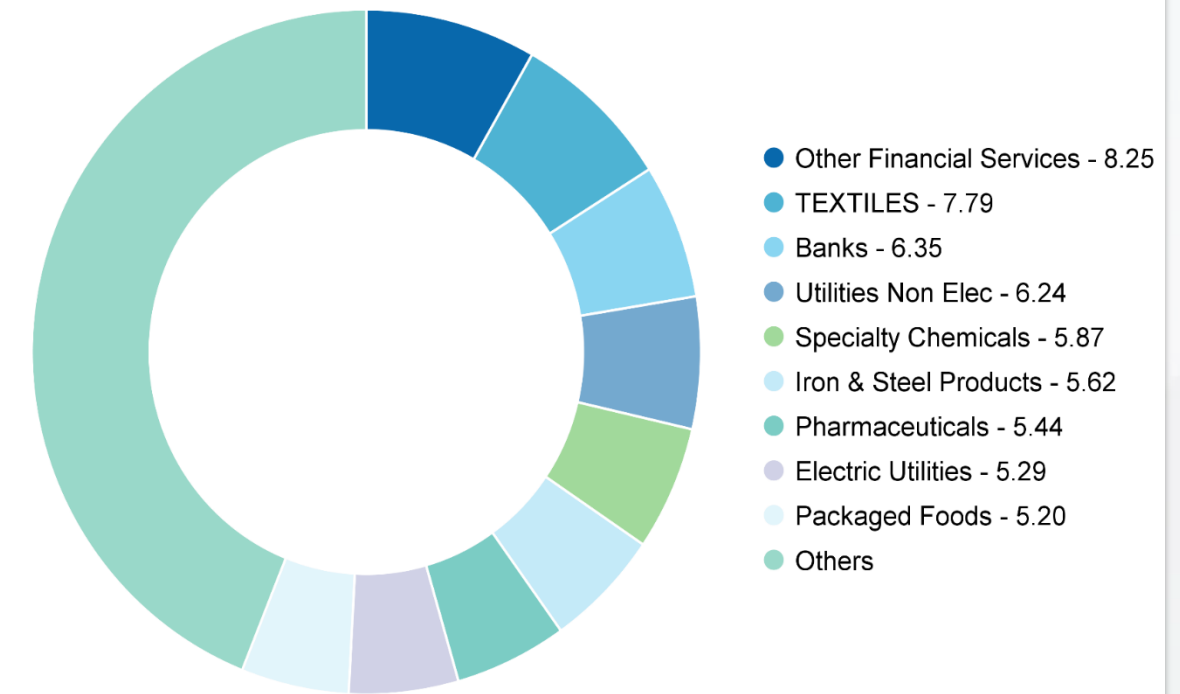
	1 month	3 months	6 months	1 year	Since Inception
Sowilo Multicap Fund	-13.13	-20.23	-22.87	-0.76	17.87
Sowilo Target Return Aggressive Fund	-14.78	-23.52	-21.78	4.62	17.52

BENCHMARK PERFORMANCE SNAPSHOT

	1 month	3 months	6 months	1 year
Nifty 50	-3.63	-7.48	-11.69	0.79
BSE Smallcap	-9.28	-21.36	-23.07	-4.26
BSE Midcap	-6.60	-15.98	-21.15	-1.09
Nifty Microcap	-9.55	-21.79	-22.41	-2.47
BSE 500 - TRI	-7.74	-12.24	-16.14	-0.41

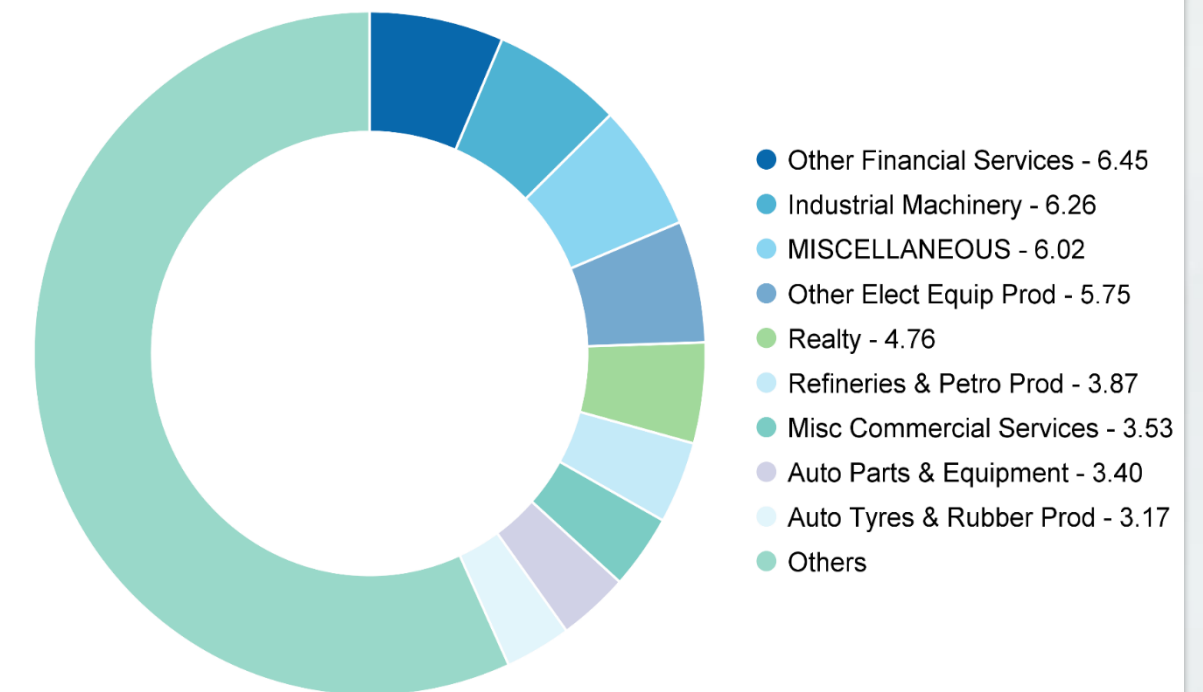
SECTOR-WISE ALLOCATION

SOWILO MULTICAP FUND



Inception Date:26/06/2023

SOWILO TARGET RETURN AGGRESSIVE SCHEME



Inception Date:23/06/2023

SOWILO MULTICAP

Company Name	
Angel one	One of the key beneficiaries of rising equity savings cult in India – expansion into wealth and AMC segments key positives from medium term perspective. Near term growth outlook looks muted with margin pressure and subdued market sentiment
Maharashtra Seamless	Maharashtra Seamless is a leading manufacturer of seamless and ERW pipes, benefiting from strong demand across oil & gas, infrastructure, and automotive sectors. Its cost-efficient production, diversified product portfolio, and focus on import substitution position it well for sustained growth and margin expansion.
Indusind Bank	Key beneficiary of RBI's easing stance on interest rates, MFI loans, domestic liquidity situation, etc Valuations are quite cheap and the bank can witness improvement in ROA as MFI stress eases and thus offers better risk-reward. Also, given its higher fix rate asset book, company is better positioned to protect margins during the rate cut cycle (which has just begun).
Sequent Scientific	A leading integrated animal healthcare company with a strong presence in APIs and formulations. Its global footprint, focus on regulated markets, and expansion into high-margin segments position it well for long-term growth in the veterinary pharma space.
NTPC	Future performance is expected to be strong and company trades at very cheap valuations – approx. 1.5 FY27 P/B despite despite 10% EPS CAGR over FY24–27 driven by 23GW thermal/RE capex and potential of rising CERC incentives. NTPC is targeting new thermal orders: i) of 7.2GW by FY27 - 2.4GW by Q4FY25 and 4.8GW in FY26; and ii) also acting as a nodal agency for another 7–8GW of State Genco ordering in FY27. The company is also planning a foray into nuclear power. High PLF incentives and better cost optimisation likely to drive earnings performance in near term too.
Universal Cables	A key player in the power cable industry, catering to sectors like power, infrastructure, and industrials. Its advanced product offerings, strong industry relationships, and growing demand for high-voltage cables position it for steady expansion.
VA Tech Wabag	A global leader in water and wastewater management, benefiting from increasing investments in sustainable water solutions. Its strong execution track record, asset-light model, and robust order book position it well to capitalize on rising demand for water treatment infrastructure
LT foods	A leading player in the branded basmati rice and organic food segments, with strong global distribution and a portfolio of premium brands. Its focus on value-added products, expanding international reach, and strong brand equity support consistent growth and profitability.
Welspun Enterprises	A leading infrastructure development company with a strong presence in road, water, and urban infrastructure projects. Its asset-light approach, disciplined capital allocation, and robust order book position it well for sustained growth, supported by government-led infrastructure investments.
Arvind Fashions	Company is focusing on double digit topline growth (driven by premiumization, retail segments and rapid store expansion) with consistent improvement in margins, aided by strong cost efficiencies, operating leverage, lower discounting, better pricing, etc. Company trades at a reasonable valuation as compared to peers and can also benefit from higher disposable incomes (post taxation changes in recent Union Budget)44.

SOWILO TARGET AGGRESSIVE SCHEME

Company Name	
Ram Ratna wires	Ram Ratna Wires is a key player in the electrical wire and cable industry, benefiting from strong demand across industrial, infrastructure, and renewable energy sectors. Its focus on value-added products, expanding capacity, and a well-established distribution network positions it for sustainable growth and market share gains.
Arvind Smartspaces	Arvind SmartSpaces is a growing real estate developer with a strong brand legacy and focus on mid-to-premium residential and commercial projects. Its asset-light strategy, expansion into key urban markets, and strong execution capabilities position it well for sustained growth in India's evolving real estate sector.
Nuvama wealth management	Company stands out as a leading wealth management firm with a strong presence across asset management, institutional equities, and investment banking. Its robust advisory capabilities, diverse product offerings, and tech-driven platform position it well to capitalize on India's growing affluent and HNI segments, driving long-term value creation.
ISGEC Heavy Engineering	ISGEC Heavy Engineering is a diversified engineering company with strong capabilities in manufacturing, EPC, and turnkey solutions across sectors like power, defense, and infrastructure. Its focus on technological innovation, global partnerships, and a strong order book positions it well for sustainable growth in the capital goods and heavy engineering space.
NESCO	NESCO is a diversified player with a strong foothold in industrial infrastructure, exhibition centers, and commercial real estate. Its steady rental income from IT parks, growing exhibitions business, and debt-free balance sheet position it well for sustained growth and value creation.
CEAT	Revenue CAGR expected at 14% over FY25–27E, supported by growth in existing business and Camso acquisition. Growth in the existing business will be led by replacement and export segments, with exports benefiting from higher demand in Asia, Africa, and the Middle East, deeper penetration in Europe and the US, and product expansion. The company remains focused on EV tyres, securing platform wins across 2W, PV, and CV segments with key OEMs. EBITDA CAGR is projected at 23%, supported by better net pricing and the high-margin Camso business
EMS Limited	EMS Limited is a leading player in water and wastewater management, benefiting from strong government initiatives and increasing urban infrastructure investments. Its expertise in executing EPC and O&M projects, coupled with a robust order book and execution capabilities, positions it well for long-term growth in the environmental services sector.
Landmark Cars	Landmark Cars is a leading luxury and premium automobile dealership network in India, catering to brands like Mercedes-Benz, Jeep, and Volkswagen. Its strong OEM partnerships, expanding footprint, and focus on after-sales services position it well to capitalize on the growing demand for premium vehicles and mobility solutions.
Triveni Engineering & Industries	A diversified industrial player with strong leadership in sugar, distillery, and engineering businesses. Its focus on ethanol blending, value-added engineering solutions, and strong cash flows positions it well for sustainable growth amid supportive government policies and rising industrial demand.
Avalon Technologies	A leading integrated EMS (Electronics Manufacturing Services) provider, catering to high-growth industries such as aerospace, defense, industrials, and EVs. Its strong order book, focus on high-margin segments, and strategic global partnerships position it well to capitalize on the growing demand for electronics manufacturing and outsourcing.

THANK YOU



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