



Flavour of the season | Elections



Focus | Manufacturing & Infrastructure

Ruling party's focus on its return

- BJP's 2024 manifesto promises continuity and enhancement of previous policies along with new measures to deepen and widen India's economic progress.
- Bigger mandate for BJP would not only foster greater confidence in domestic and international investors but also drive a **'big uptick in capex cycle'**.
- Segments which are in focus in their manifesto are as follows:-
 - Railways / Roadways / Aviation / Shipping
 - Affordable housing
 - Pharma
 - Electric Vehicle
 - Renewable Energy & Natural Gas
 - Industries & MSMEs
- ***Thereby, Infrastructure & Manufacturing themes will largely benefit as it consists of the above mentioned segments.***

Manufacturing focus in BJP's manifesto

To become a Global Manufacturing Hub

Sr no.	Focus areas as part of manifesto	Industries to benefit
1	Global Leader in Automobile and EV Manufacturing	Automobile, Automobile ancillary, Battery Manufacturers.
2	Major Player in Semiconductor and Chip Manufacturing	Chip manufacturing, Software & hardware R&D.
3	Strengthening position as Pharmacy of the World	Pharma Manufacturers, Pharma R&D, Digital Distributors
4	Global Aviation Manufacturing and MRO Hub	Aerospace Engineering, Aviation Companies
5	Promoting Ship Building	Ports & Dock, metals, materials.
6	Global Railway Manufacturing Hub	Wagon Manufacturers, Metals, Materials, logistics.
7	Global Manufacturing Hub	Electronics, defence, mobile, automobiles, pharma, etc
8	Building a Globally Competitive Food Processing Industry	Logistics, Retail, FMCG
9	Global Leader in Textile Manufacturing	Textile, Retail, Logistics

Infrastructure focus in BJP's manifesto

To have World Class Infrastructure

Sr no.	Railways & Roadways Sector mentioned	Developments Expected
1	Constructing New Tracks	Adding 5000+ km of new tracks every year
2	Expansion of Kavach Train Protection System	Expand the manufacturing, design and installation of Kavach Systems
3	Building World Class Station	Started redevelopment of 1,300+ railway stations
4	High Frequency Trains for Regional Connectivity	Commissioned sections of RRTS between Delhi and Meerut and looking to further expand these services.
5	Expanding Metro Network	Initiated metro in 20+ cities and looking to further expand these services.
6	Expanding PM Gram Sadak Yojana	Extend the PM Gram Sadak Yojana to the remotest areas to ensure improved connectivity and access to healthcare, education, government services and markets.
7	Further Enhancing Road Safety	Through a series of techno legal interventions, training and behavioral change to improve road safety.
8	Promoting EVs	Increase the fleets of EVs and will also establish EV charging stations.

Infrastructure focus (contd.)

Aviation Sector, Waterways & Shipping mentioned	Developments Expected
Developing Airports for Seamless Connectivity	Enhance air connectivity by development and operationalization of new airports, helipads and aerodromes.
Formulating a Master Plan for Airport Transformation	Providing single-point connectivity to designated regions worldwide & to position Bharat as the leading aviation ecosystem of South Asia.
Enhancing the Capacity of Inland Waterways	Integrate inter-ministry initiatives to double the share of Inland Water Transport in transportation.
Building a Homegrown Shipping Industry	Revamp the legal framework to enable faster growth of our Shipping industry to become globally competitive.

Continued focus by the Opposition in their manifesto too

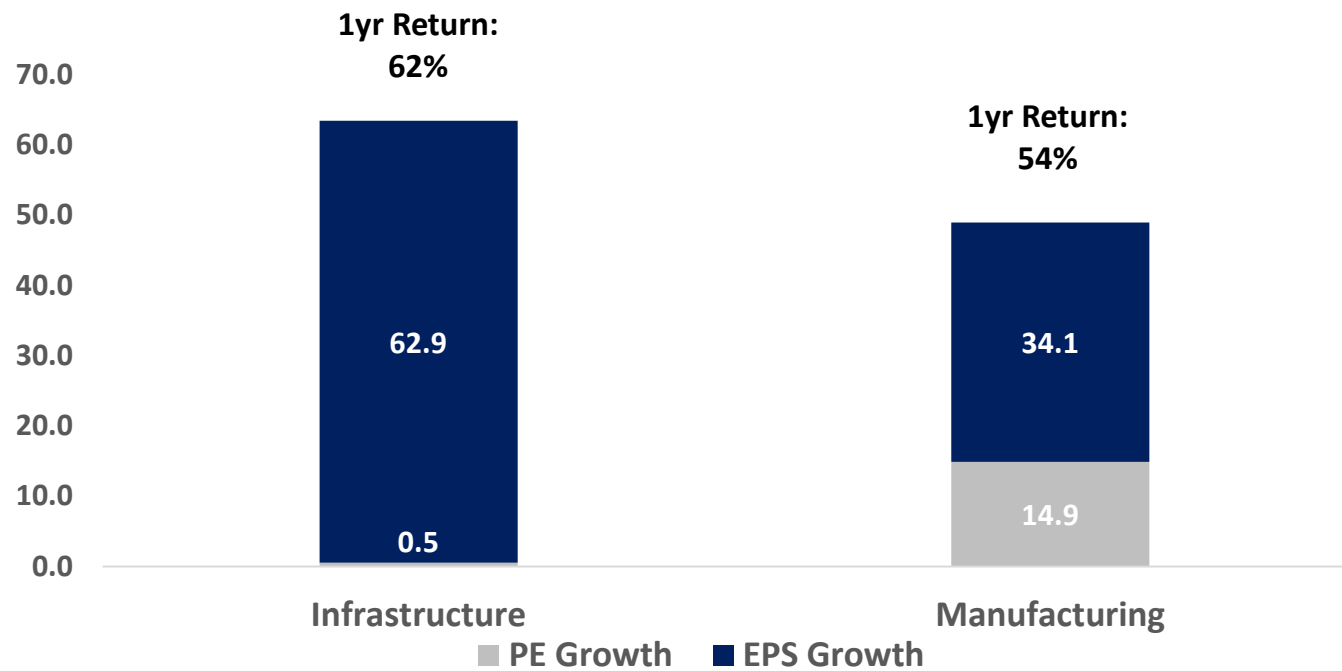
Areas	Manufacturing as part of manifesto
GDP	Aim to raise share of manufacturing from 14% to 20% of GDP in next 5 years.
Sector Focus	Aim for India attaining a position of leadership in multiple industries such as metals, garments and textiles, cement, automobiles, electronic goods, pharmaceuticals.
PLI	Target specific sectors that can create thousands of jobs by making India one of the top 5 producers in the world in that sector.
Artificial Intelligence	Encourage and support the use of Artificial Intelligence, robotics, etc.
Areas	Infrastructure as part of manifesto
Railways	Modernize the outdated railway infrastructure but in doing so we will ensure that trains and stations serve the needs of the common people and commuters.
Railways	KAVACH will be installed in all train engines and routes to improve passenger safety on Indian railways.
Green Energy	Promote green energy and implement renewable energy schemes that will make the panchayats or municipality self-sufficient in electricity as far as possible. We will promote solar-powered engines for tapping groundwater for agriculture.



Things to know | Risk & Mitigants

Is there a downside after the recent rally ?

- Last 1yr run up has been steep with Infrastructure & Manufacturing Index moving up by 62% & 54% respectively.
- However, it is has been a fundamental rally instead of excessive valuations.
- **EPS Growth is the key reason** for the run up in last 1yr.



- ***Market should thereby be able to continue favouring the Infra & Manufacturing space in the expectation of further focus by the ruling party post it's return.***

Risks & Mitigants

- Risk at the current juncture is more global related than the Indian macro scenario.
- Any corrections in Global markets due to geopolitics, inflation & interest rate worries, will impact the overall Indian markets too.
- Below listed are some potential risks with mitigants which can keep the portfolio sailing through.

Risks	Mitigants
Unexpected Election results Ruling Party does not return or gains lesser than expected or coalition government	<ul style="list-style-type: none"> • Faster infrastructural development & making India the manufacturing hub is primary to both the ruling & opposition manifesto. • Markets may react to surprises, but will be poised for a bounce back on continued expected earning growth.
Slowdown in domestic and / or global growth Impacting revenue & profitability	<ul style="list-style-type: none"> • India emerging as the largest source of cost effective labor supply • Its manufacturing value proposition should allow it to be able to grow faster than rest of the world.
Slow pace of reforms & implementation of policy initiatives Turn adverse on projections	<ul style="list-style-type: none"> • Government, either the ruling or opposition, policies for infra & manufacturing sector are more favorable than other industries.
Geopolitical developments impacting the price & availability of raw materials	<ul style="list-style-type: none"> • India's continued focus on diversification of supply chain by engaging with several countries. • Efforts toward localization should help over time through Atmanirbhar Bharat
Impact of Automation & AI	<ul style="list-style-type: none"> • AI could lead to slower job creation however, it is likely to bring overall cost down there by increasing affordability across goods and services benefiting infrastructure & manufacturing space.



Investment | Process & Funds

Investment process

- Flavour of the season is a **high risk & high reward momentum strategy**.
- **Investment duration** in such baskets ranges around **6 months**, until the theme is playing out.
- Our research is based on the parameters, mentioned below, that determines which sector or factor to invest into.
- **We rebalance our portfolio on the basis of such changing factors as & when required.**

Factors	Details
Market cycle changes	<ul style="list-style-type: none">• Sectors tend to shift gears based on their demand & supply cycles• Factors perform differently in each stock market cycle of bull, bear, recovery or consolidation stage
Earning growth expectation	<ul style="list-style-type: none">• Uptick in earning growth expected due to<ul style="list-style-type: none">• Increased sales and / or• Favourable raw material pricing and / or• Margin expansions
Government policies	<ul style="list-style-type: none">• Favourable government reforms which can lead to<ul style="list-style-type: none">• Market size expansion• Increase in exports• Positive impact on margins• Demand expectation

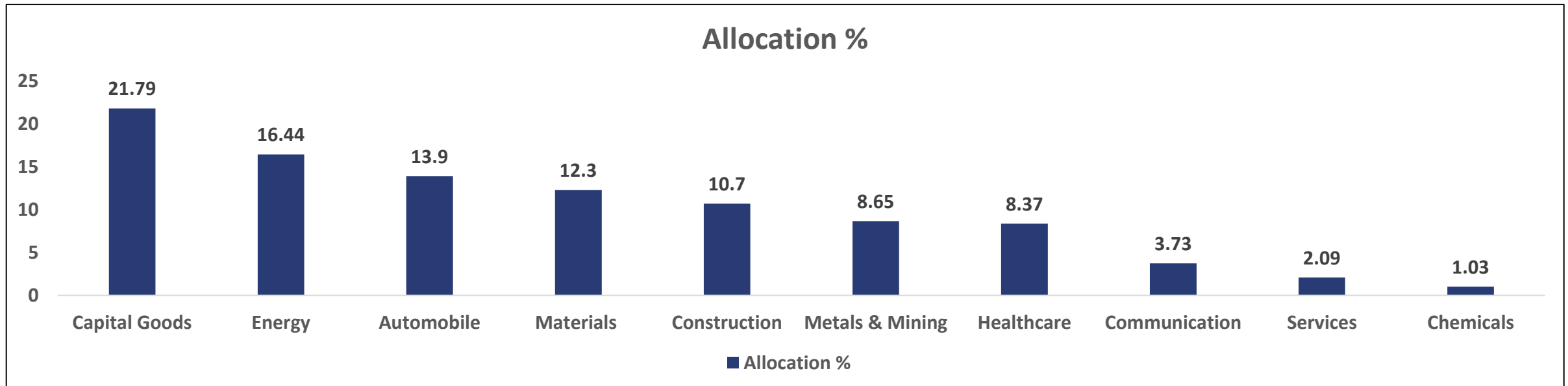
Funds

Fund Name	Category	Mix	Expense Ratio
ICICI Prudential Manufacturing Fund	Manufacturing	60%	1.90%
Nippon India Power & Infra Fund	Infrastructure	40%	1.93%

Sectoral & Market Cap allocation

Market Cap Allocation	Mix %
Large Cap	61.85
Mid Cap	32.54
Small Cap	5.62

- Portfolio is largely Large & Mid Cap oriented.
- Negligible small caps thereby providing cushion against any level of volatilities due to over valuation in that space.



Past Performance

Fund Name	1m	3m	6m	1yr
ICICI Prudential Manufacturing Fund	3.09%	12.35%	30.72%	66.47%
Nippon India Power & Infra Fund	1.94%	13.06%	32.98%	76.83%
Portfolio	2.63%	12.64%	31.63%	70.61%

Top 10 Holdings

Stock Name	Sector	%
Larsen & Toubro	Construction	6.92
Ultratech Cement	Materials	5.65
Reliance Industries	Energy	5.47
Maruti Suzuki India	Automobile	3.55
NTPC	Energy	3.48
Cummins India	Capital Goods	3.28
Siemens	Capital Goods	3.20
Bosch	Automobile	2.84
Sun Pharmaceuticals	Healthcare	2.42
Hindustan Aeronautics	Capital Goods	2.39

About us

The Team

Wealth Tech Solution

A private wealth management firm founded by technology and wealth industry veterans

Diverse clientele

We manage diverse set of investment portfolios for senior management of large firms based in India, UK, US and other countries

Experience

Team has experience managing Rs 680+ crores of Assets Under Management



GIRISH IPPADI

Technology

Engineering leader with 25+ years of industry experience



ANAND K RATHI

Growth

Investment Manager for 19 Years, manages 600cr of assets, Founder@Augment Capital



NAVEEN SHETTY

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Thank you !

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