

# FY23 - FY24

# ANNUAL RETURN REPORT

Delve into our journey of growth and performance as we analyze our returns for the fiscal year. Explore our investment strategy, sector insights, market outlook, and reflections on portfolio management. Gain valuable insights into our successes and learnings, shaping our path forward.

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### About Company :

Finblage Partnership Group is an investment firm that operates as a partnership, pooling together funds from multiple investors to make strategic investments in various financial instruments such as stocks, bonds, commodities, and real estate. The group's primary objective is to generate returns on investment for its partners while managing risks effectively.

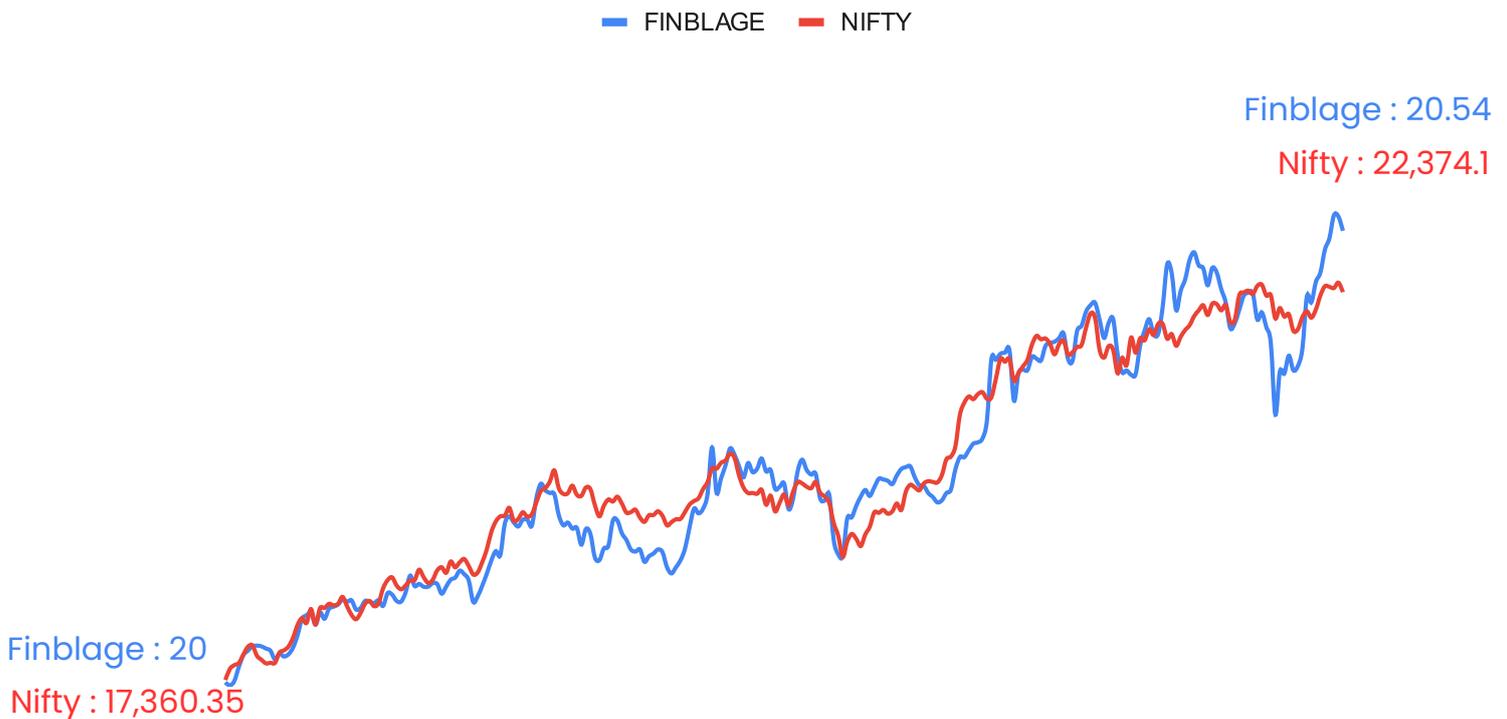
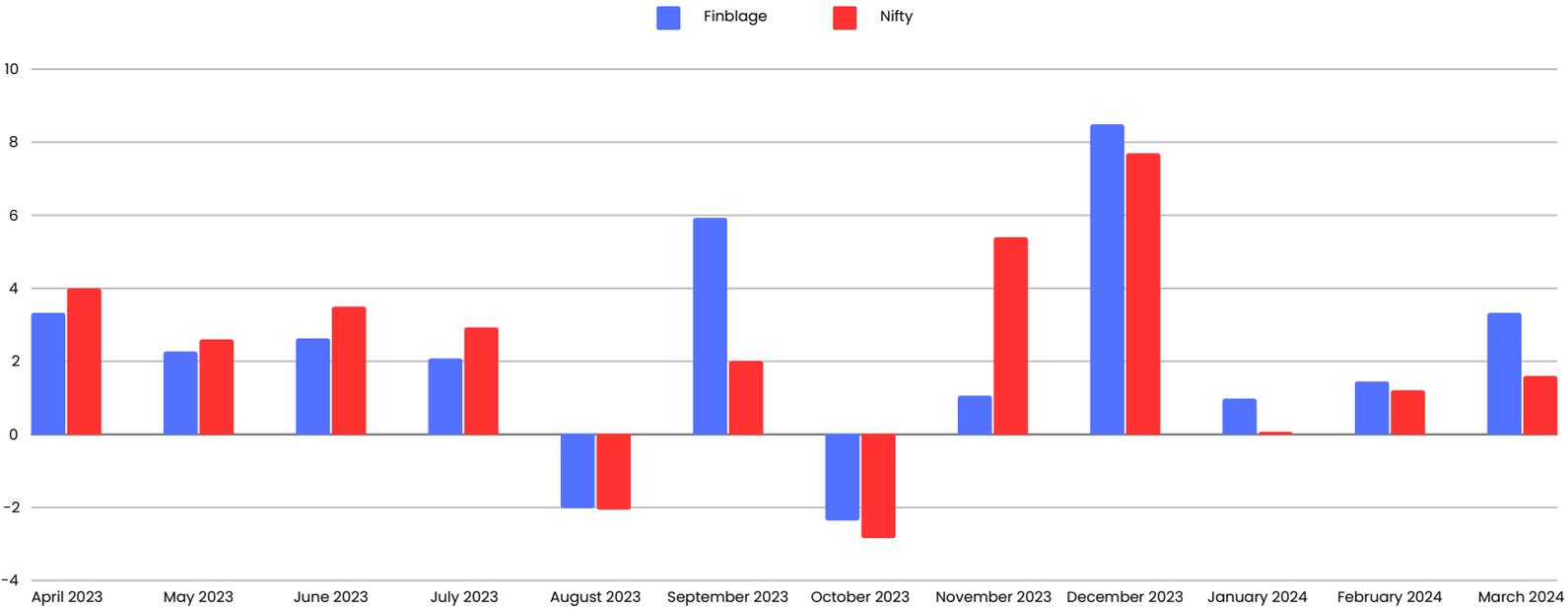
As a partnership, Finblage typically operates under a legal structure where investors, often referred to as partners or unit holders, contribute capital to the partnership. In return, they receive ownership interests or units in the partnership. These units represent their share of ownership in the assets held by the partnership and entitle them to a portion of the profits generated from those investments.

Finblage Partnership Group is managed by a team of investment professionals who are responsible for making investment decisions, executing trades, and managing the overall portfolio. These professionals conduct thorough research and analysis to identify promising investment opportunities and construct diversified portfolios that align with the group's investment objectives and risk tolerance.

The partnership structure allows Finblage to provide investors with access to a diversified portfolio of investments, professional management expertise, and potential opportunities for capital appreciation and income generation. By pooling resources and sharing risks, investors can benefit from economies of scale and potentially achieve superior investment returns compared to individual investing.

Overall, Finblage Partnership Group serves as a vehicle for investors to access the financial markets, leverage the expertise of professional investment managers, and pursue their financial goals in a collaborative and structured manner.

## FY23-FY24 Returns



### Monthly Returns

Months	Finblage	Nifty
April 2023	5.85%	4.00%
May 2023	2.27%	2.60%
June 2023	2.63%	3.50%
July 2023	2.08%	2.93%
August 2023	-2.02%	-2.06%
September 2023	5.93%	2.01%
October 2023	-2.36%	-2.84%
November 2023	1.06%	5.40%
December 2023	8.49%	7.70%
January 2024	0.98%	0.07%
February 2024	1.45%	1.21%
March 2024	3.33%	1.60%

Nifty returns from April 2023 - March 2024 : 25.65%

Finblage returns from April 2023 - March 2024 : 29.69% + 3.01% = 32.70%

**Note :** Our cumulative return for the period stands at a robust 32.70%, yet upon summing our monthly returns, we find a total of 29.69%, pointing to a variance in our calculations.

### **Our Performance ( FY23 - FY24 )**

Finblage Partnership Group is delighted to present the performance overview for the fiscal year 2023-2024. Amidst dynamic market conditions and evolving economic landscapes, our investment portfolio showcased resilience and delivered commendable results, underscoring the strength of our investment approach and commitment to excellence.

Throughout the fiscal year, our portfolio demonstrated robust growth, reflecting the efficacy of our investment strategies and the dedication of our team. From an initial unit price of Rs 20, we witnessed a remarkable appreciation, closing the year at Rs 26.54. This upward trajectory not only surpassed market expectations but also exceeded our internal targets, validating the soundness of our investment decisions. In comparison to benchmark indices, such as the Nifty, our portfolio consistently outperformed, generating superior returns for our investors. While the Nifty experienced significant growth from 17,360.35 to 22,326.9 during the fiscal year, our portfolio's performance surpassed market benchmarks, highlighting our ability to identify lucrative investment opportunities and capitalize on emerging trends.

Our success can be attributed to a combination of factors, including prudent sectoral allocation, proactive risk management practices, and a strategic investment approach. We maintained a diversified portfolio across various sectors, including FMCG, finance, banking, technology, and energy, which helped mitigate risks and optimize returns.

Additionally, our rigorous risk management framework enabled us to navigate market uncertainties effectively, preserving capital and enhancing portfolio stability. By closely monitoring macroeconomic indicators, market dynamics, and regulatory developments, we mitigated potential risks and capitalized on opportunities, thereby safeguarding investor interests.

Furthermore, our strategic approach, blending elements of value investing with technical analysis, proved instrumental in identifying undervalued assets and opportune entry and exit points. This approach not only enhanced portfolio performance but also generated alpha, driving value creation for our investors.

As we look towards the future, Finblage Partnership Group remains committed to our investment philosophy and disciplined approach. With a focus on identifying high-quality investment opportunities, managing risks prudently, and delivering sustainable returns, we are poised to continue our journey of excellence and value creation in the years ahead.

### **Investment Strategy and Approach:**

Our investment strategy at Finblage is grounded in a disciplined and research-driven approach aimed at delivering sustainable long-term returns for our investors. We combine fundamental analysis with technical insights to identify undervalued opportunities and capitalize on market inefficiencies.

Key elements of our investment strategy include:

**Value Investing Principles :** We adhere to the principles of value investing, seeking out companies that are trading below their intrinsic value. By focusing on the fundamentals of businesses, including earnings potential, cash flow generation, and competitive advantages, we aim to identify opportunities with strong growth potential at attractive valuations.

**Bottom-Up Stock Selection :** Our investment process begins with rigorous bottom-up research, where we analyze individual companies across various sectors and industries. We assess factors such as financial performance, management quality, industry dynamics, and competitive positioning to identify high-quality investment candidates.

**Sectoral and Thematic Allocation :** While our investment decisions are primarily driven by bottom-up analysis, we also consider sectoral and thematic trends to enhance portfolio diversification and capture emerging opportunities. We allocate capital to sectors and themes poised for growth, while also maintaining exposure to defensive sectors for risk mitigation.

**Risk Management and Portfolio Construction :** Risk management is integral to our investment approach, and we employ robust risk management practices to mitigate downside risks and preserve capital. We maintain a diversified portfolio across asset classes, sectors, and geographies, and regularly monitor risk metrics to ensure alignment with our risk tolerance and investment objectives.

**Active Portfolio Management :** We adopt an active management approach, continuously monitoring market developments, economic trends, and company-specific events to make informed investment decisions. Our portfolio managers remain nimble and adaptive, adjusting portfolio allocations as market conditions evolve and seizing opportunities to enhance returns.

**Long-Term Focus :** While we remain opportunistic in our investment approach, our overarching focus is on long-term value creation. We emphasize patience and discipline, resisting short-term market noise and staying committed to our investment thesis even during periods of market volatility.

By adhering to these principles and leveraging our expertise in fundamental analysis and market insights, we strive to deliver superior risk-adjusted returns for our investors over the long term. Our investment strategy is underpinned by a commitment to transparency, integrity, and excellence in all aspects of our investment process.

### **Economy Outlook ::**

In the current macroeconomic landscape, several factors are shaping the outlook for investment opportunities. Here's an analysis based on recent data and forecasts from reputable sources:

**GDP Growth Expectations :** Moody's recent revision of India's GDP growth projection for 2024 to 6.8% reflects the country's robust economic performance in 2023. The strong growth trajectory, surpassing analysts' expectations, can be attributed to the government's capital spending initiatives and vigorous manufacturing activity. This upward revision underscores India's resilience amid global economic challenges.

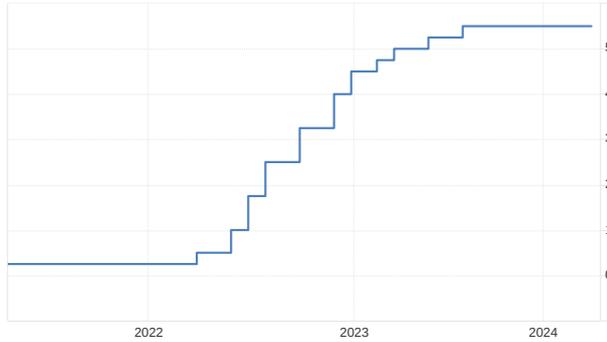
**Inflation and Interest Rates :** Globally, the macroeconomic response to the higher rate environment is resulting in slower activity and falling inflation pressures. Despite this trend, resilient labor markets, particularly in the U.S., have tempered the slowdown and helped avoid recessions, at least in the short term. However, geopolitical developments, including a spate of elections, pose risks to this outlook.

**Central Bank Policy :** S&P Global maintains a "higher-for-longer" view on policy rates, expecting the first cuts around mid-2024 from major central banks. While subsequent cuts are anticipated to be gradual, the road back to neutral monetary policy will likely take time. This cautious approach underscores the need for investors to monitor central bank actions closely and adapt their investment strategies accordingly.

**Labor Demand and Services Sector :** The baseline forecast for 2024 growth is predicated on strong labor demand, particularly in the services sector. However, sharply weaker services demand and a stronger U.S. dollar could pose challenges to this outlook. Investors should remain vigilant and agile in response to changing market dynamics and geopolitical uncertainties.

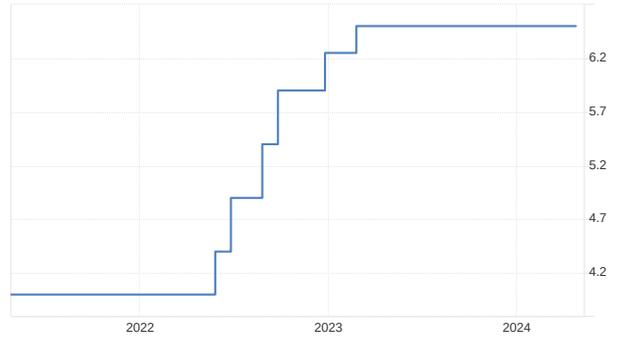
In summary, while India's economy shows resilience and promises growth opportunities, global economic conditions, inflationary pressures, and central bank policies will continue to influence investment decisions. It is imperative for investors to stay informed, diversify their portfolios, and adopt a flexible approach to navigate the evolving macroeconomic landscape effectively.

US Interest Rate - percent



Source: [tradingeconomics.com](http://tradingeconomics.com) | Federal Reserve

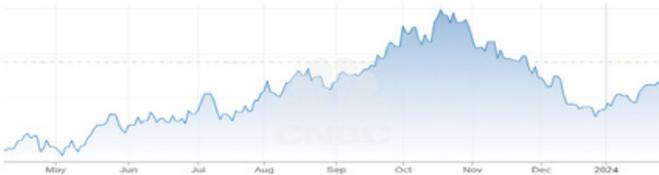
IN Interest Rate - percent



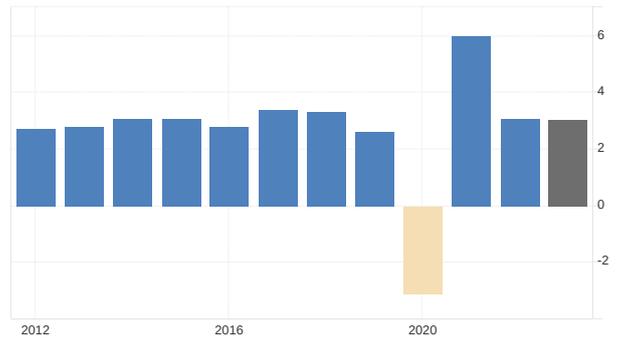
Source: [tradingeconomics.com](http://tradingeconomics.com) | Reserve Bank of India

U.S. 10 Year Treasury (US10Y:Tradeweb)

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Last | 2:20 AM EDT  
**4.438%** -0.06 (1.3705%)  
1 Year

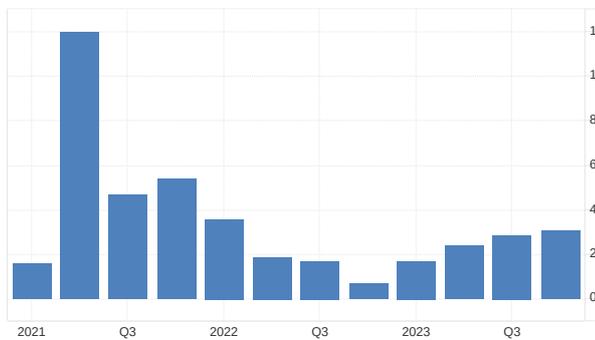


WL Full Year GDP Growth - percent



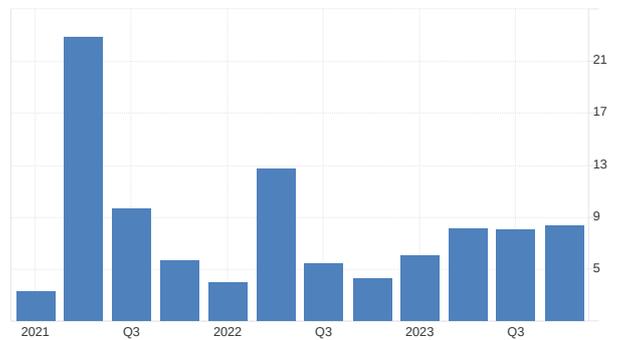
Source: [tradingeconomics.com](http://tradingeconomics.com) | World Bank

US GDP Annual Growth Rate - percent



Source: [tradingeconomics.com](http://tradingeconomics.com) | U.S. Bureau of Economic Analysis

IN GDP Annual Growth Rate - percent



Source: [tradingeconomics.com](http://tradingeconomics.com) | Ministry of Statistics and Programme Implementation (MOSPI)

## **Reflections on Portfolio Management: Learning from Mistakes**

Acknowledging and learning from our mistakes is an integral part of our journey toward continuous improvement and success. In reviewing our portfolio management practices, we have identified certain areas where we fell short and are committed to addressing them proactively.

One such mistake we made was the inclusion of stocks from sectors that did not perform as expected, despite the fundamental strength of the underlying companies. Specifically, we invested in companies within the Chemical and IT sectors, which, while fundamentally sound, faced challenges in terms of sectoral performance.

We recognize that sectoral dynamics play a significant role in influencing the performance of individual stocks, and our investment decisions should have taken these factors into greater consideration. While the companies themselves exhibited strong fundamentals, external market forces and sector-specific challenges impacted their performance adversely.

Moving forward, we are committed to conducting more comprehensive sectoral analysis and incorporating a deeper understanding of industry dynamics into our investment decision-making process. By aligning our investment strategy more closely with sectoral trends and market outlooks, we aim to mitigate risks associated with sectoral underperformance and enhance the overall resilience of our portfolio.

While mistakes are inevitable in the dynamic landscape of investing, we view them as valuable learning opportunities that allow us to refine our approach and strengthen our investment discipline. We remain dedicated to delivering optimal outcomes for our investors and will continue to strive for excellence in all aspects of our portfolio management practices.

### **Dear Investors,**

As we reflect on the past year, we are filled with gratitude for your unwavering support and trust in our investment endeavors. Your confidence has been instrumental in driving our success and propelling us forward.

We extend our heartfelt thanks to each and every one of you for your continued commitment and partnership with us. Your contributions have played a pivotal role in our journey, enabling us to navigate challenges, seize opportunities, and achieve our goals.

Together, we have weathered uncertainties, capitalized on market trends, and delivered favorable returns on your investments. Your faith in our team, strategies, and vision has been the cornerstone of our accomplishments.

As we look ahead, we remain dedicated to upholding the highest standards of integrity, transparency, and performance excellence. Your ongoing support motivates us to continually strive for innovation, growth, and value creation.

Once again, thank you for your invaluable trust and collaboration. We are honored to have you as part of our investment community, and we look forward to continuing this journey together.

With deepest appreciation,

Team Finblage