



# Mi25 (F)

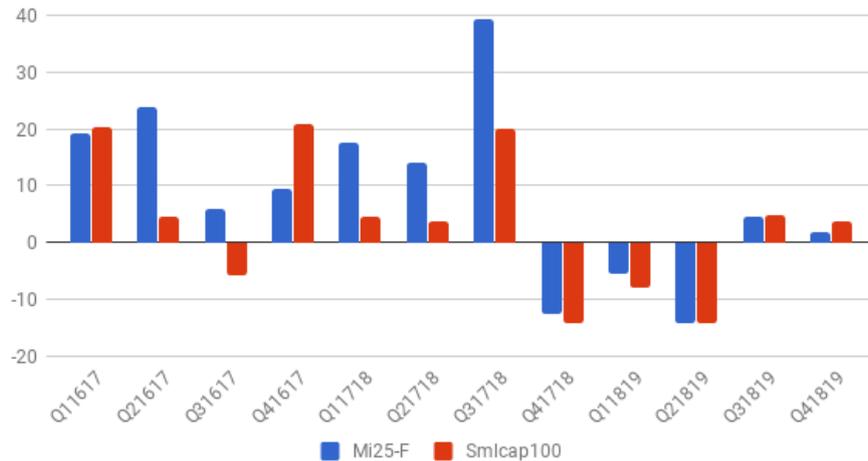
## Small Cap Strategy

[weekendinvesting.com](http://weekendinvesting.com)

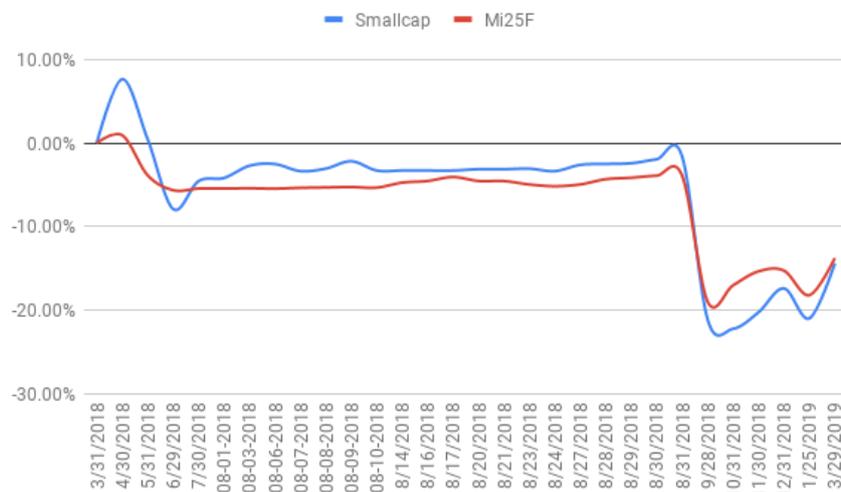
Performance	Q4FY1819	Q3FY1819	Q2FY1819	Q1 FY1819	FY1819	FY1718	Apr16-now
<a href="#">Mi25</a>	1.76%	4.57%	-14.12%	-5.62%	-13.75%	63.06%	140.87%
<a href="#">NIFTY 50</a>	7.01%	-0.62%	2.02%	5.94%	14.94%	10.25%	50.24%
<a href="#">NIFTY 500</a>	5.38%	0.59%	-0.51%	2.81%	8.43%	11.47%	49.78%
<a href="#">NIFTY SMALLCAP 100</a>	3.62%	4.70%	-14.32%	-7.88%	-14.37%	11.56%	36.58%

The FY1819 has been a bear market for small cap stocks. From a high point achieved in Jan 2018 the small cap market kept falling almost all through the entire calendar year 2018 with some stability seen in the last quarter of FY 1819.

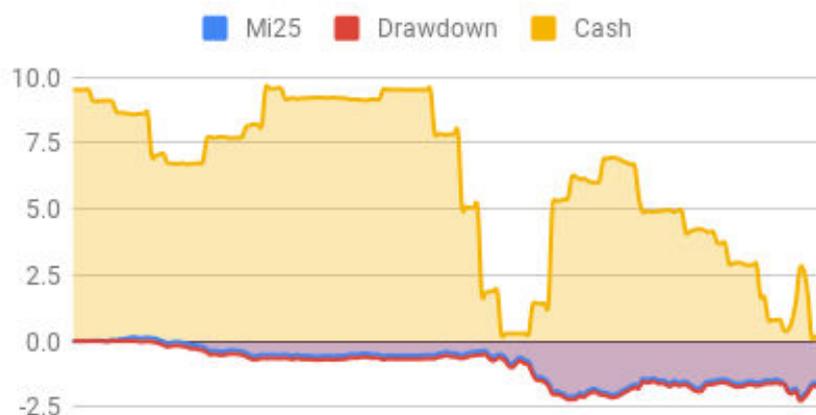
Quarterly Performance (%) of Mi25 vs SmallCap100



Mi25 (F) the flagship strategy on small caps that has had a stupendous run with gains in FY1617 and FY1718 of 71.2% and 63.0% respectively also bore the brunt and fell almost in line with the small cap index as can be seen in the chart below.



## Mi25 and Drawdown



We started the FY with 95% cash and we retained most till end of Q2 post which the deployment was rapid but the market suddenly slipped in Q3 to take us back to 60%+ cash. In the last quarter it is almost fully deployed now as can be seen in the chart above. The strategy has less than 2% cash at the end of the year. The average cash held was nearly 50% and approx 2-2.5% gains would have accrued due to that which have not been included in the performance.

The strategy had 40 exits in the whole year and majority of them were losers. The max drawdown witnessed during this period starting from the peak in Jan 2018 was around 37%, in-line with 41 pct seen on the smallcap index.

The strategy is now holding 22 stocks and best performers so far are IOLCP, CGCL Dhampur Sugar and Praj industries. The biggest losers this year were NELCO and INDIAHUME.

While the last 5 quarters have been bearish and dull, it should be seen as a part of the natural cycle within the small cap universe. The past too suggests that the strategy will outperform strongly in an up cycle and remain in-line or weak in the down cycle. We have witnessed just that. Wishing all users the very best of FY1920.

All users who have joined during or post Q3FY1718 are currently performing below our service guarantee level of 8% annualized returns. The service will continue till we achieve that. A mailer with details on your extension will be sent later in Apr 2019.

**Disclaimer:** Return calculations take into account **all** transaction costs and slippages but **do not** include advisory fees and capital gains tax. Past performance is no guarantee of future performance. Future performance will be largely dependant on market conditions and the trending nature of the market. This update is not intended to solicit business. New clients wishing to participate must read the terms of service and risk disclosure fully at the website. **Alok Jain (Weekendinvesting.com)** provides advisory services as a SEBI RIA Regn No. **INA100007532**. Queries can be sent to [alok@weekendinvesting.com](mailto:alok@weekendinvesting.com)