



30 YEARS
of Trust

A few thoughts on Taurus Flexicap fund
completing 30 years since launch and
why we're still bullish on India

from

CIOs Desk

Dear Valued Co-Investors,

Our flagship scheme, Taurus Flexicap Fund, completed 30 years of its illustrious journey on 29th January 2024. Our fund's inception over three decades ago was driven by a vision to offer investors a gateway to India's burgeoning markets in the early days of post-liberalization India, providing a diversified portfolio that spans sectors and market capitalization. **Today, as I helm our funds as a Whole Time Director & CIO, and a proud 4th-generation member of the promoter family, this vision remains unwavering,** yet it evolves with a forward-looking perspective as the saying goes history doesn't repeat but it often rhymes, embracing new opportunities and navigating the challenges of a rapidly transforming economy.

India's story is one of remarkable transformation and resilience. For most of the past two millennia, up until the 19th century, our nation was recognized as one of the world's largest economies, colloquially famous across the world as the "Golden Bird". However, the trajectory was altered significantly due to the deindustrialization policies during British rule, leading to widespread poverty and literacy challenges, casting doubts on India's unity and survival. Despite these challenges, we've witnessed an incredible journey of recovery and growth. From being labeled a "third world country," India has ascended to become one of the world's largest economies. Remarkably, in just the last decade, India has emerged from being outside the top ten to now being the 5th largest global economy, as per the International Monetary Fund's latest GDP estimates. This progression underscores the unyielding spirit and potential of India, even though we acknowledge the journey ahead is still long and arduous.

India's economic landscape is a fertile ground for growth and investment. With a burgeoning young population, progressive reforms, and a digital revolution underway, I am bullish on India's prospects over the next few decades. India is a country of contradictions and juxtapositions: so advanced in some ways and really primitive in others. Our thesis is fueled by this unique dichotomy — a land where digital innovation like the Aadhaar identity system and UPI payments interface coexist with a developing physical infrastructure, mirroring the nation's spirit of juxtapositions. These foundations have enabled over a billion people to participate in the economy, reflecting an unprecedented scale of financial inclusion and digital empowerment. In the next few decades, India will have over 50 crore people from an emerging middle class that can speak English backed by a strong educational system and geopolitical positioning (read: the world's largest democracy that aligns with Western governance philosophy) in addition to the digital and developing physical infrastructure described above participate in the global economy. In my opinion, this young demographic, characterized by unbridled ambition and combined with growing purchasing power, can conceivably drive India's GDP growth sustainably at the post liberalization average GDP growth rate of 7.5% (Source: IMF) annually for the next few decades despite the larger base, outpacing many of the world's leading economies. Simply put I am predicting a 3-5X growth in India's GDP over the next two decades, which in turn will present us with abundant opportunities in the stock market even with corporate earnings merely keep pace with the country's growth. Now just imagine the sheer size of the opportunity in sectors that tend to grow faster than GDP!

Such growth is bolstered by India's digital leap, which has not only made it a model for innovation but has also set the stage for a robust, knowledge-driven economy that is rapidly integrating into the global market. Our country's leap towards becoming a global manufacturing hub, coupled with advancements in technology and digital infrastructure, presents unprecedented opportunities for investors. Our optimism is rooted in the resilience and innovation demonstrated by Indian enterprises, which continue to drive our economy towards new heights of success and sustainability.

The responsibility that rests on our shoulders is immense. As custodians of your trust and investments, we are committed to upholding the highest standards of integrity and transparency. Our investment philosophy is anchored in rigorous research, a deep understanding of market dynamics, and a steadfast focus on long-term value creation. We are dedicated to navigating the complexities of the markets, seizing opportunities that align with our strategic objectives, and mitigating risks through prudent management. It would be remiss for me to not mention that **the risk to the current rally is not just contingent on the growth outlook for India and corporate earnings but also on the starting valuations levels.** History suggests that it would be prudent for us to take a cautious stance at least for the short-term stance when the valuation levels are euphoric and well above long-term median and average levels as they are currently and that is reflected in the composition of portfolios of our schemes.

As we celebrate this landmark anniversary, we look back with pride on the legacy we have built together. Our journey has been one of resilience, adaptability, and unwavering commitment to our investors. Taurus Flexicap Fund's three decades of excellence* is a reflection of our collective belief in the potential of the Indian market and the enduring value of disciplined investment. Looking ahead, we are excited about the future. Our journey forward is guided by the same principles that have steered us through the past thirty years—trust, transparency, and a tireless pursuit of excellence.

Thank you for your continued faith in Taurus Mutual Fund. Together, we are poised to embrace the opportunities that lie ahead, charting a course towards sustained growth and prosperity.

With Gratitude,



Kanishk Kapur,
Whole Time Director
& Chief Investment Officer