



**PMS AIF WORLD**  
High Performance Investing

**MAY, 2021 NEWSLETTER**

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# **CAT 3 ALTERNATIVE INVESTMENT FUNDS**

**MONTH**  
MAY, 2021

**DATA AS OF**  
30<sup>TH</sup> APRIL, 2021

**PREPARED BY**  
PMS AIF WORLD

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**MONTHLY PERFORMANCE REPORT**

# Trusted Alternates Focused Platform

## PMS AIF WORLD

PMS AIF World is an alternates focused, new age investment services company, providing analytics-backed quality investing service with an endeavour and aim of assisting investors' journey of long-term wealth creation and prosperity. The Investment Service Industry isn't designed to be Fair; there are hundreds of products and strategies that waste time and money. So, one must practice caution while investing.

We offer responsible, long term investment service. We distribute well analysed PMS and AIF products and offer investment service along with in-depth information for investors to make informed decisions not just before investing, but throughout the wealth creation journey.

We are very selective in our approach, and analyse PMS AIF products across **5 Ps – People, Philosophy, Performance, Portfolio, Price**, with an objective to ascertain 3 most important attributes i.e. **Quality, Risk, and Consistency(QRC)** for assisting informed investment decisions.

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# Sell in May and Go away?



**Kamal Manocha**

Chief Strategist,  
PMS AIF World

Dear Readers,

I hope you are all keeping healthy and safe at home. It's one of the toughest times that India has seen in a long time. We pray that the situation due to the Covid Pandemic gets better in the coming days. The need of the hour suggests take a look at our portfolios and see how we are positioned and what is driving our investment thoughts.

The team of PMS AIF World wants to present certain facts and our interpretation of where the market is probably headed. Hope you find it useful.

**Sell in May and Go away** is the title of our report. This has been a common call phrase anytime markets correct around this time of the year. The merits or demerits of this adage is what we try to understand in this report.

## Who's selling and who's buying in May?



Chart 1, Source: Motilal Oswal Research

In the chart above we can see the last time both FIIs and DIIs were net sellers in the Indian exchanges was in April 2020 and that was the month of strict lockdowns and uncertainties in India and thus panic selling can be excused and reasoned to fear. In the last 6 months, FIIs have been net buyers who turned sellers just in April and that too just a fraction of what they have bought in the last 6 months. DIIs, who have been selling Indian Equities turned net buyers in April, so the question is who's going to sell in May?

That's a slightly tricky question to answer. It's very difficult to predict trends of institutional investors, however what we understand from a now 16-month trend is that if DIIs sell, there's a chance FIIs will buy or vice-versa and both would think they made the right decision.

Hence to conclude, if you hold quality businesses in your equity portfolio managed by good fund managers, the longer-term Indian story remains intact, and you might want to reconsider "Selling in May and Going Away."

# Sell in May and Go away?

## Valuations: High or Nigh?

Valuations are to stocks what beauty is to humans. Beauty lies in the eyes of the beholder and Valuations lie in the eyes of the investor. The question thus is how do we understand valuations and determine our actions in the stock markets. Since this is a subjective matter, we will present some facts and leave the end conclusion to the respected reader here.

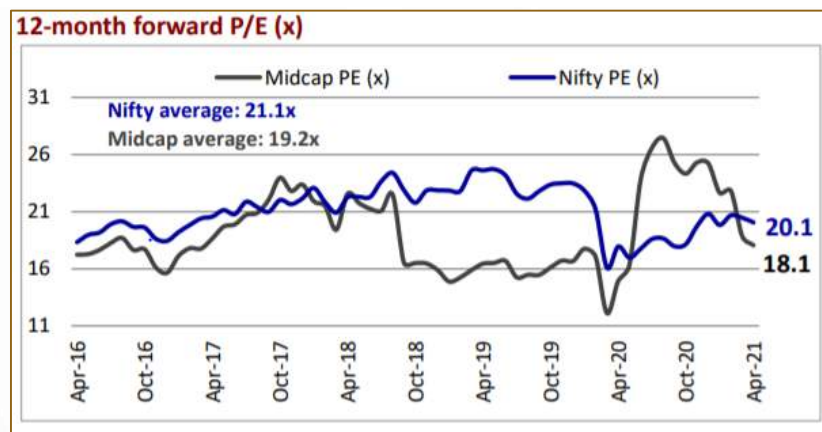


Chart 2, Source: Motilal Oswal Research

Stock Markets are a discounting machine and almost everything here happens looking at the future. We examine the Forward P/E here for Nifty and the Midcap universe and understand we are now trading slightly below 5-year averages. However certain stocks might be trading at higher-than-average multiples and should be looked at with a sharper eye to detail.

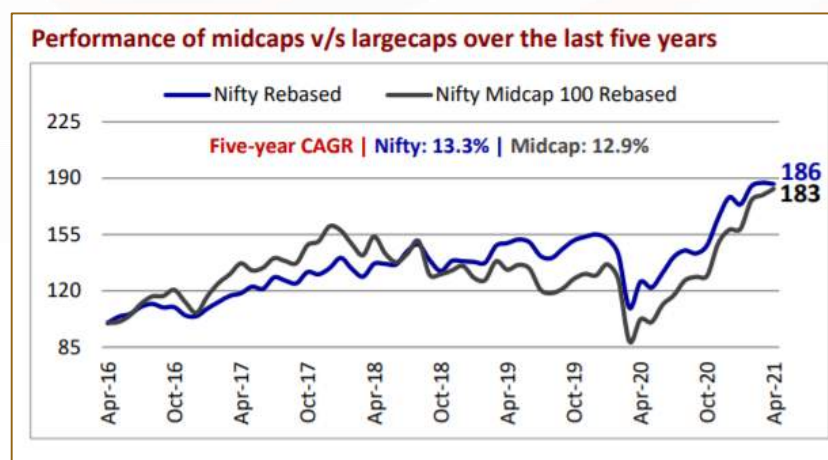


Chart 3, Source: Motilal Oswal Research

5-year performance of Nifty 50 and Nifty Midcap 100 show that there's not been much of divergence of performance in the two categories in the time period. The way we interpret this is that if you buy into quality businesses, market cap segment might be secondary.

Concluding, the valuation debate might be subjective and can have various opinions. However, we are close to 5-year averages in the most tracked P/E metric.

# Sell in May and Go away?

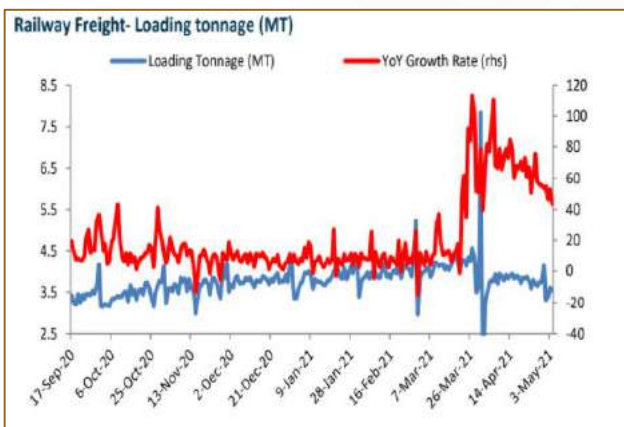
## State of the Economy in India: 3 High Frequency Indicators



### Vehicle Registration:

India's vehicle registrations remain strong although not the pre-covid peak, but traction is visible. Auto is a highly correlated sector, and we see signs of recovery and green shoots here. However, lockdowns and Covid infections remain a risk.

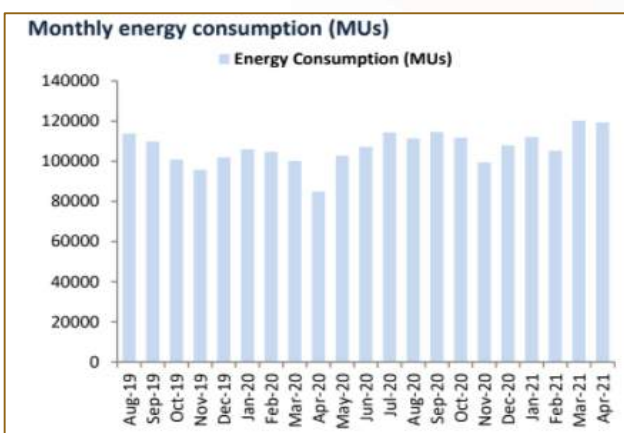
Chart 4, Source: Phillip Capital Research



### Railway Freight:

This has taken a hit as resources are diverted to Covid mitigation. The trends till March remained strong & mobility of goods is a sign of economic recovery and abundance. Post the second wave, it will be an important factor to look out for.

Chart 5, Source: Phillip Capital Research



### Energy Consumption:

Energy Consumption is a key macro indicator and we are back to pre-covid levels of mid 2019 which show economic activity continues as we undergo a Covid driven disruption. This trend is somewhat positive to overall recovery.

Chart 6, Source: Phillip Capital Research

## Concluding note: Sell in May and Go away?

**Maybe not.** While Covid related disruptions remain a concern and it might create temporary headwinds, the resilience of Indian macros remain strong and Indian corporates might be stronger than we think and the headroom for growth remains vast.

## CAT-3 Alternative Investment Funds Performance Data as of 30<sup>th</sup> April

LONG ONLY AIFs										
Strategy	Inception Date	AUM	1M	3M	6M	1Y	2Y	3Y	SI	Type
Accuracap AlphaGen Next ^	Dec-18	139.11	0.3%	6.8%	18.0%	35.5%	13.5%	-	12.7%	Open Ended
Accuracap Vectra Fund ^	Dec-18	48.93	4.5%	12.4%	27.5%	47.5%	17.7%	-	13.4%	Open Ended
Abakkus Emerging Opportunities Fund	Jun-19	-	8.6%	23.6%	47.3%	121.0%	-	-	44.6%	Closed Ended
Abakkus Growth Fund	Jul-18	-	6.8%	20.3%	45.0%	101.9%	25.8%	-	22.2%	Closed Ended
Alchemy Leaders of Tomorrow	Jan-18	282	5.4%	10.3%	32.1%	72.6%	15.9%	7.0%	8.0%	Open Ended
Ampersand Growth Opportunities - I ^	Sep-17	193	2.0%	9.7%	27.8%	61.6%	19.9%	11.2%	14.5%	Open Ended
Carnelian Compounder Fund – 1	May-19	249	0.1%	6.4%	27.1%	49.4%	-	-	19.5%	Closed Ended
Dalal & Broacha India Oppo. Multicap ^	Dec-19	-	0.1%	3.2%	21.4%	38.1%	-	-	18.9%	Open Ended
Emkay Investment Emerging Stars Fund ^	Jan-18	-	8.2%	10.4%	39.3%	103.5%	21.4%	-	10.1%	Closed Ended
Girik Advisors Girik Multi Cap Growth Fund	Nov-18	95.96	5.9%	13.9%	29.3%	52.0%	27.0%	-	23.1%	Open Ended
IIFL High Conviction ^	Nov-19	593.07	-0.5%	6.0%	28.0%	51.8%	-	-	14.6%	Open Ended
IIFL High Growth Companies Fund	Nov-18	-	-0.2%	9.4%	33.2%	54.6%	16.9%	-	18.3%	Closed Ended
IIFL Multi Strategy Fund	Sep-18	-	0.6%	7.2%	29.8%	55.3%	14.6%	-	13.2%	Closed Ended
I Wealth Fund	Jun-18	-	8.3%	15.3%	40.7%	53.4%	25.4%	-	18.1%	Closed Ended
Monarch MNCL Capital Compounder Fund	Oct-20	90.80	6.6%	22.5%	31.2%	-	-	-	31.3%	Closed Ended
Nippon India Equity Opportunity Series- 6	Feb-21	-	2.1%	-	-	-	-	-	5.8%	Closed Ended
Roha Emerging Companies Fund	Nov-18	-	15.5%	32.8%	60.9%	142.6%	32.6%	-	24.0%	Closed Ended
SageOne Flagship Growth 1 Fund*	Sep-19	-	5.3%	27.4%	57.0%	120.3%	-	-	52.0%	Closed Ended
TCG Advisory SMF Disruption Fund	Jul-17	-	0.9%	12.1%	34.9%	68.2%	14.9%	1.3%	5.2%	Open Ended
White Oak India Equity Fund-II	Mar-19	1035	2.1%	12.5%	34.2%	70.4%	30.3%	-	31.3%	Closed Ended

LONG SHORT AIFs										
Strategy	Inception Date	AUM	1M	3M	6M	1Y	2Y	3Y	SI	Type
Aventus Absolute Return Fund *	Mar-17	-	0.1%	1.1%	7.5%	13.1%	10.3%	10.5%	12.9%	Open Ended
Aventus Enhanced Return Fund-I	Dec-17	-	-1.5%	3.9%	22.8%	42.1%	11.9%	8.2%	10.7%	Open Ended
Aventus Enhanced Return Fund-II	Nov-18	-	-1.7%	2.2%	18.7%	33.6%	10.6%	-	11.5%	Open Ended
DSP Enhanced Equity Sat Core Fund^	Mar-17	-	0.9%	2.2%	8.3%	8.3%	6.8%	5.9%	6.4%	Open Ended
Edelweiss Alternative Equity Scheme *	Aug-14	-	0.4%	4.5%	13.7%	28.5%	17.3%	10.3%	17.2%	Open Ended
ITI Long Short Equity Fund *	Apr-18	265.97	-1.0%	1.7%	12.7%	16.8%	11.6%	13.2%	14.2%	Open Ended
IDFC IEH Conservative Fund *	Jan-18	-	4.2%	12.2%	13.3%	10.4%	5.9%	-	4.8%	Open Ended
TATA Absolute Return *	Apr-19	-	2.0%	2.0%	3.8%	5.2%	5.5%	-	6.0%	Open Ended
TATA Equity Plus Absolute Returns Fund *	Mar-20	-	2.9%	6.3%	17.2%	37.2%	-	-	35.4%	Open Ended

Index	1M	3M	6M	1Y	2Y	3Y
Nifty 50	-0.4%	7.3%	25.7%	48.4%	11.6%	10.8%
Nifty 500	0.4%	9.4%	29.0%	54.3%	13.1%	9.2%
Nifty Mid Cap 100	2.1%	15.7%	41.8%	79.2%	11.6%	10.8%

The Data is indicative and as of 30<sup>th</sup> April, 2021. Data is Net of Expenses & Pre Taxes unless indicated by marks (\* and ^) implied as mentioned below. Taxation in AIFs is different for Long only vs Long short, and depends upon portfolio construct and structure. Reading & understanding performance numbers appropriately is important. AIFs are governed by private placement norms. This is for general understanding. Do read the full disclaimer on the last page.

^ Net of Expenses & Taxes

\* Gross of Expenses & Taxes

Returns upto 1 year are Absolute and above 1 Year are CAGR.



**KAMAL MANOCHA**  
Founder, CEO & Chief Strategist

While today's time is confusing, eventually, all this experience of Covid related stress is making all of us realise the importance of a finite life that we have been given. And once things settle, we could see an era of revenge spending and consumption. People will no longer procrastinate their aspirations for things, and would like to fulfil them. We've always talked about festival quarter (Oct to Jan); in year 2021, we could see and experience this real time. Covid has brought many pains, but at the same time, it has given many learnings, many realisations about Life, about China, about Health, about India. Thus, impact on businesses, earnings and economy after a pause could be very positive.

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