



**PMS AIF WORLD**  
High Performance Investing

**OCTOBER, 2020 NEWSLETTER**

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# **CAT 3 ALTERNATIVE INVESTMENT FUNDS**

**MONTH**

OCTOBER, 2020

**DATA AS OF**

30<sup>TH</sup> SEPTEMBER, 2020

**PREPARED BY**

PMS AIF WORLD

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**MONTHLY PERFORMANCE REPORT**

# MARKET COMMENTARY

**T**ruth has one dimension and there are no two versions to it. When it comes to the stock market, truth is only known in the hindsight. We are a new age investment services company that is making relentless attempts to un-cover truths in time, for our clients to make informed investment decisions. Following 5 points are important for investors to focus upon, in the current context of markets which are at all time high valuations.

1. Index earnings and index prices are two sides of the same coin. Corporate earnings and stock markets go hand in hand in, in longer term. Let's understand with data. In the first decade, 2000-2010, Nifty EPS was at 13% and so was Nifty CAGR over 10 years. In the subsequent decade, 2010-2020, Nifty EPS was at 7% and so was Nifty CAGR. Same would be the case over next decade of 2020-2030. So, it's important to focus on earnings and not prices or levels.
2. Currently, corporate earnings stand at decade's lowest point ~ 3%, and that is the reason market is seen at very high valuations. All new investments in equities at these levels are supported only on the arguments of expected future earnings of FY 22 onwards.
3. Markets are always ahead in time, and work on forward thinking. Recent example is - market's reaction to Covid in 2020. 23rd March was the day, when lock down was announced in India, and this is the day, when indices showed lowest point. Basically, markets fell 45 days before lock down, and recovered as market assessed the impact of 3 to 6 months of locked down, during and after lock down.
4. Markets can correct 10% to 15% at any point of time, and equity investors must be prepared for this, always. More than 20% correction is generally seen only because of unpredictable events and which cannot be assessed and predicted. Instead of trying to anticipate such events, investors should learn to keep a room in asset allocation to help increase the proportion of equity, whenever such events occur, as a part of asset allocation realignment.
5. Many meaningful reforms have been executed over last 5-6 years. There is stable ruling govt in place. Focused on – going economic policies are being conducted. There is a massive rise in foreign liquidity to tackle adverse economic effects of Covid. A rise is expected in foreign direct investments in India as reforms make Indian landscape conducive. Lower interest rates provide access to capital. Lower crude oil price reduces import bill. All these factors eventually convey possibilities of economic recovery & rise in corporate earnings which is what is keeping markets buoyant. For investors who do not have 10 years of investment horizon and do not see earnings recovery, must first convince themselves, then assess their asset allocation and then consider equity investments, at this level.

Investing in equity through concentrated portfolios via portfolio management services requires diligent selection. In our investment services, we not only assist investors in making the investment, but also help investors with informed investment decisions. This is basis our open architecture, zero bias, and on-going 5-P analysis across People, Philosophy, Performance, Portfolio, and Price. Our endeavours through out is to determine the quality, risk, and consistency attributes. We present all data and analytics with an endeavour and aim of informed investment decisions.

# SIMPLE INVESTING PHILOSOPHY

## Debt

In general, when investors think of Debt, they first think of low return and then risk, and this where they make mistakes. Ultimately, as investor's focus is on return while investing in debt, he/she take exposure in credit funds, hybrid debt funds, and eventually end up adding a lot of unknown risk to this asset class which is supposed to actually provide security and safety of capital. **As per our years of experience, in structuring the debt portfolio, the objective should to reduce risk and not increase returns.**

## Equity

In general, when investors think of equity, they first think of high risk and then return and this is where they make mistakes. Ultimately, as investor focus is on reducing risk, investors take exposure in every theme(International, Gold, Balanced, Hybrid), every type of fund/portfolio, and eventually ends up owning over-diversified portfolio that grossly underperforms even in long term period of 10 years. **As per our years of experience, in structuring the equity portfolio, the time horizon is clearly 5 to 10 years, so the objective should be to enhance returns and not reduce risk. So, we follow a less diversified approach through Best PMS & AIF products, along with the Best Focused category of Mutual Funds**

**In all, we follow a very simple, open-ended approach to building clean debt and quality equity portfolio and then work with clients to ensure they hold such good investments with confidence and high conviction.**

**CLEAN DEBT + QUALITY EQUITY + HIGH CONVICTION =  
COMPOUNDING**

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

LONG ONLY AIFs											
Strategy	Inception Date	AUM (Cr)	1M	3M	6M	1Y	2Y	3Y	5Y	SI	Type
Accuracap AlphaGen Next ^	Dec-18	113	1.50%	10.40%	30.80%	8.00%	-	-	-	12.50%	Open Ended
Accuracap Vectra Fund ^	Dec-18	38	0.59%	12.99%	31.28%	9.10%	-	-	-	6.30%	Open Ended
Abakkus Emerging Opportunities Fund	Jun-19	950	8.10%	27.50%	67.70%	31.90%	-	-	-	25.20%	Closed Ended
Abakkus Growth Fund	Jul-18	1350	4.70%	18.90%	57.00%	11.30%	-	-	-	7.50%	Closed Ended
Alchemy Leaders of Tomorrow	Jan-18	266	5.00%	16.00%	42.60%	5.20%	2.40%	-	-	-1.20%	Open Ended
Ampersand Growth Opportunities - I ^	Sep-17	149	4.60%	17.30%	40.10%	9.70%	9.50%	8.10%	-	8.41%	Open Ended
Carnelian Compounder Fund – 1	May-19	195	1.90%	7.50%	28.88%	6.53%	-	-	-	9.66%	Closed Ended
Dalal & Broacha India Opportunities ^	Dec-19	-	1.99%	2.18%	23.34%	-	-	-	-	-3.12%	Open Ended
Emkay Investment Emerging Stars Fund ^	Jan-18	-	8.00%	34.50%	64.50%	8.90%	-	-	-	-0.50%	Closed Ended
IIFL High Conviction ^	Nov-19	256	-1.87%	10.71%	27.59%	-	-	-	-	-	Open Ended
Girik Advisors Girik Multi Cap Growth Fund	Nov-18	76	6.37%	18.50%	31.15%	24.46%	-	-	-	15.59%	Closed Ended
Nippon India Equity Opportunity Series- 5	Jan-20	-	2.30%	14.70%	37.50%	-	-	-	-	11.90%	Closed Ended
ProAlpha QG Dynamic Equity Fund	Jan-14	-	2.72%	14.52%	34.50%	11.21%	-	7.23%	10.08%	20.81%	Open Ended
TCG Advisory SMF Distribution Fund	Jul-17	-	1.83%	17.25%	40.87%	4.16%	-1.75%	-4.84%	-	-2.56%	Open Ended
Varanium Focused Equity *	Aug-20	-	1.20%	13.80%	34.20%	6.10%	12.20%	-	-	8.20%	Open Ended
White Oak India Equity Fund	Apr-19	2718	2.68%	14.85%	36.87%	14.54%	12.79%	-	-	7.67%	Closed Ended

  

LONG SHORT AIFs											
Strategy	Inception Date	AUM (Cr)	1M	3M	6M	1Y	2Y	3Y	5Y	SI	Type
Aventus Absolute Return Fund *	Mar-17	2086	1.31%	2.88%	5.82%	6.74%	9.47%	11.03%	-	12.72%	Open Ended
Aventus Enhanced Return Fund 1	Dec-17	1296	-0.17%	8.19%	23.61%	-4.46%	1.63%	-	-	3.87%	Open Ended
Aventus Enhanced Return Fund-II	Nov-18	778	-1.13%	4.88%	20.52%	-4.62%	-	-	-	3.43%	Open Ended
DSP Enhanced Equity Sat core Fund	May-14	496	-1.80%	0.40%	1.10%	-1.80%	6.00%	5.70%	-	23.30%	Open Ended
Edelweiss Alternative Equity Scheme *	Aug-14	880	4.46%	13.61%	22.31%	5.34%	-	8.39%	10.37%	16.12%	Open Ended
Edelweiss Alpha Fund Scheme-I *	Jun-13	-	0.36%	1.99%	2.77%	4.39%	-	6.68%	8.88%	14.38%	Open Ended
IDFC IEH Conservative Fund *	Jan-18	-	-3.71%	-4.45%	-4.58%	-8.05%	0.81%	-	-	1.44%	Open Ended
IDFC IEH Tactical Fund *	Feb-19	-	-9.14%	-14.58%	-14.85%	-29.26%	-	-	-	-15.60%	Open Ended
ITI Long Short Equity Fund *	Apr-18	166	-0.01%	3.34%	1.77%	10.60%	14.19%	-	-	29.19%	Open Ended
TATA Absolute Return *	Apr-19	257	-0.80%	-1.30%	0.00%	-4.80%	-	-	-	5.40%	Open Ended
TATA Equity Plus Absolute Returns Fund *	Mar-20	40	2.30%	8.40%	-	-	-	-	-	18.20%	Open Ended
Varanium Dynamic Fund *	Nov-16	-	2.70%	-	13.20%	11.90%	9.10%	8.20%	-	12.20%	Open Ended

  

INDICES							
Index	1M	3M	6M	1Y	2Y	3Y	5Y
Nifty 50	-1.23%	9.18%	30.82%	-1.98%	1.44%	4.74%	7.19%
Nifty 500	-0.30%	10.20%	33.50%	0.00%	1.20%	2.80%	7.00%
Nifty Midcap 100	1.80%	15.50%	45.11%	5.97%	-0.50%	-2.11%	5.51%

The Data is indicative and as of 30th Sep, 2020. 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

WISH TO MAKE INFORMED INVESTMENTS FOR LONG TERM WEALTH CREATION

# DO NOT SIMPLY INVEST, MAKE INFORMED DECISIONS

SCAN THE QR CODE TO BOOK AN  
APPOINTMENT WITH OUR EXPERTS



## OUR OFFICES

**DELHI NCR**  
2ND FLOOR, ARC BUSINESS TOWER,  
PLOT 17-18, UDYOG VIHAR PH 4,  
GURUGRAM 122015

**MUMBAI**  
AK ESTATE, OFF VEER SAVARKAR FLYOVER,  
SV RD, GOREGAON WEST  
MUMBAI 400062

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