



PMS AIF WORLD
High Performance Investing

NOVEMBER, 2022 NEWSLETTER

CAT 3 ALTERNATIVE INVESTMENT FUNDS

MONTH

NOVEMBER, 2022

DATA AS OF

31ST OCTOBER, 2022

PREPARED BY

PMS AIF WORLD

MONTHLY PERFORMANCE REPORT

Fed Rate Hikes – Past, Present and Future



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CEO,
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Dear Investors,

One thing which every equity or a debt investor, every money manager and every advisor has followed throughout year 2022 is Fed's stance, and its consistent rate hikes. For those who have witnessed this in the past remember how Fed brought rates down to 0% from as high as 4.75% after GFC. The same is reversing now, so remembering history is important to understand the present and projecting the future.

2007 – 2008

To aid the U.S. economy in coping with the effects of the GFC, in an unprecedented move, the Fed cut interest rates to zero in late 2008. The Fed started executing quantitative easing, i.e., QE, when rates were lowered to zero. It started purchasing bonds worth trillions of dollars to boost the economy and put Americans back to work after it was unable to lower interest rates any further.

FOMC Meeting Date	Rate Change (bps)	Fed Funds Rate
December 16, 2008	-100	0% to 0.25%
October 29, 2008	-50	1.00%
October 08, 2008	-50	1.50%

2007-08 Fed Rate Cuts

FOMC Meeting Date	Rate Change (bps)	Fed Funds Rate
April 30, 2008	-25	2.00%
March 18, 2008	-75	2.25%
January 30, 2008	-50	3.00%
Jan 22, 2008	-75	3.50%
December 11, 2007	-25	4.25%
October 31, 2007	-25	4.50%
September 18, 2007	-50	4.75%

Fed Rate Hikes – Past, Present and Future

2015 – 2018

Seven years later, when the economy slowly started to revive, the central bank cautiously started hiking interest rates. Under the former Fed Chair Janet Yellen, the first rate increase occurred in December 2015. The next rate increase did not occur for another year, but rather in December 2016. In December 2015, core PCE inflation was 1.1%, significantly below the Fed's objective. Not until March 2018 did it reach 2%. Fed didn't hit 2.50% with this steady rate rise until December 2018.

FOMC Meeting Date	Rate Change (bps)	Fed Funds Rate
December 20, 2018	+25	2.25% to 2.50%
September 27, 2018	+25	2.00% to 2.25%
June 14, 2018	+25	1.75% to 2.00%
March 22, 2018	+25	1.50% to 1.75%
December 14, 2017	+25	1.25% to 1.50%
June 15, 2017	+25	1.00% to 1.25%
March 16, 2017	+25	0.75% to 1.00%
December 15, 2016	+25	0.50% to 0.75%
December 17, 2015	+25	0.25% to 0.50%

2015-18 Fed Rate Hikes

In what Powell referred to as a "mid-cycle adjustment," the Fed dropped interest rates by a quarter of a percentage point three times in 2019. Simply put, the Fed was lowering interest rates in the middle of the traditional expansion-to-recession business cycle.

2019 – 2020

In 2019, the Federal Reserve was afraid that a trade war between the United States and China would hurt the economy and raise unemployment rates. The economy benefited from three modest rate cuts in the second half of 2019.

Fed Rate Hikes – Past, Present and Future

At the time, inflation was significantly below the central bank's 2% target. Comparing June 2018 to June 2019, Core PCE increased by 1.7%. Only a 1.9% increase was seen by February 2020.

FOMC Meeting Date	Rate Change (bps)	Fed Funds Rate
October 31, 2019	-25	1.50% to 1.75%
September 19, 2019	-25	1.75% to 2.00%
August 01, 2019	-25	2.00 to 2.25%

2019 Fed Rate Cuts

Then COVID-19 happened and the pandemic swept over the world in a matter of weeks. Lockdowns were imposed to stop the virus's spread and in April 2020 alone, there was a loss of about 20.5 million jobs, and the unemployment rate increased to 14.7%.

In two unexpected emergency sessions held in March 2020, the FOMC drastically reduced interest rates, restoring the federal funds target rate range of zero to 0.25%.

FOMC Meeting Date	Rate Change (bps)	Fed Funds Rate
March 16, 2020	-100	0% to 0.25%
March 03, 2020	-50	1.00% to 1.25%

2020 Fed Rate Cuts

The same Federal Reserve that acted quickly to lower interest rates during the coronavirus pandemic is currently waging the most aggressive campaign to hike borrowing costs in forty years. This is due to the Fed's decision to act to combat inflation after inflation reached a 40-year high. It has acted firmly since and increased the fed funds rate by three percentage points in roughly six months.

The objective is to lower inflation rates that are depleting buying power without causing a recession.

Fed Rate Hikes – Past, Present and Future

2022-23

FOMC Meeting Date	Rate Change (bps)	Fed Funds Rate
November 02, 2022	+75	3.75% to 4.00%
September 21, 2022	+75	3.00% to 3.25%
July 27, 2022	+75	2.25% to 2.50%
June 16, 2022	+75	1.50% to 1.75%
May 05, 2022	+50	0.75% to 1.00%
March 17, 2022	+25	0.25% to 0.50%

2022 Fed Rate Hikes

Although the final stance is unknown, the Fed probably isn't finished yet, and that wraps up the Fed's behaviour over some of the key events in the past 15 years. And, this does convey that change in Fed Stance takes time, and it depends upon the focus. We believe that till end of this FY23, Fed's focus is going to be Inflation and it will take time for inflation data to show the effect of rate hikes. But, from Q1 to Q2 of FY24, Fed's focus should be back to growth and given the historical pattern, Fed can go aggressive in cutting rates as well.

What is evident today is that containing inflation is key, and we'll have to deal with the results.

Watching how investors react to the new situation will be interesting and its implications on the global markets will be heavy, for sure, but, it will be worth watching, how India tackles this and how it comes out of it. These are tough times for sure, but this is also an opportune moment for India to emerge again. While Fed goes back in history to plan its moves, India, too, will repeat history as it resurges again, as the Golden Bird.

Since, markets work on forward thinking, investors need to be prepared and remember the quote from Warren Buffet, i.e., to be greedy when others are fearful and be fearful when others are greedy.



The most thoughtful
Summit for Investors

Crystal Gazing 4.0

India: Resurgence of
The Golden Bird

Coming Soon

CAT 3 Alternate Investment Fund Performance Data as of 31st Oct 2022

LONG ONLY AIFs										
Strategy	Inception Date	AUM	1M	3M	6M	1Y	2Y	3Y	SI	Type
Abakkus Emerging Opportunities Fund	Jun-19	-	1.4%	-1.2%	-11.1%	-11.9%	39.2%	36.8%	33.2%	Close Ended
Abakkus Growth Fund-1	Jul-18	-	3.0%	4.0%	-5.7%	-9.2%	32.4%	25.3%	19.0%	Close Ended
Accuracap AlphaGen Next ^	Dec-18	108.53	1.5%	2.9%	-2.4%	-4.1%	14.5%	11.4%	10.6%	Open Ended
Accuracap Vectra Fund ^	Dec-18	53.29	3.1%	3.6%	-3.9%	-7.2%	17.8%	14.2%	10.4%	Open Ended
Aequitas Equity Scheme- I	Mar-19	335.84	1.6%	7.9%	-0.9%	15.3%	61.9%	36.9%	21.2%	Open Ended
Alchemy Leaders of Tomorrow	Jan-18	396	1.0%	4.1%	0.3%	4.5%	34.3%	23.5%	12.5%	Open Ended
Ampersand Growth Opp. Fund^	Sep-17	304	1.4%	3.3%	7.9%	2.0%	33.1%	23.5%	17.3%	Open Ended
Ashika India Alpha Fund	Jun-21	-	0.2%	-1.4%	-2.5%	11.6%	-	-	14.6%	Open Ended
Carnelian Compounder Fund – 1	May-19	-	3.6%	8.1%	6.1%	-4.0%	25.8%	16.6%	17.9%	Close Ended
Carnelian Structural Shift Fund	Apr-22	-	1.2%	8.6%	11.0%	-	-	-	21.4%	Close Ended
Dalal & Broacha India Oppo. Multicap^	Dec-19	-	2.1%	5.2%	-2.4%	-7.7%	17.7%	-	11.0%	Open Ended
Edelweiss Catalyst Opportunities Fund	Jun-18	166.75	2.2%	3.8%	3.4%	-2.4%	25.8%	15.0%	12.5%	Close Ended
First Water Capital Fund	Aug-20	-	0.7%	0.6%	-9.7%	4.2%	40.4%	-	36.6%	Close Ended
Girik Multicap Growth Equity Fund II	Jan-22	124.27	0.6%	5.9%	1.1%	-	-	-	-5.9%	Close Ended
IIFL High Conviction Fund –Series 1^	Nov-19	-	1.8%	3.1%	1.9%	-8.5%	20.1%	-	11.4%	Close Ended
I-Wealth Fund- 2	Oct-21	-	2.5%	5.0%	-1.7%	-	-	-	-2.2%	Close Ended
IIFL High Growth Companies Fund	Nov-18	-	1.6%	2.0%	2.0%	-6.6%	25.0%	14.3%	15.6%	Close Ended
IIFL Multi Strategy Fund	Sep-18	-	2.1%	5.8%	6.5%	3.6%	27.1%	17.3%	14.1%	Close Ended
Monarch AIF MNCL Capital Compounder Fund	Oct-20	96.3	3.9%	6.3%	3.7%	0.6%	24.3%	-	24.3%	Close Ended
Monarch AIF MNCL Capital Compounder Fund - I	Aug-22	263.5	3.5%	-	-	-	-	-	4.6%	Close Ended
Roha Emerging Companies Fund	Nov-18	-	2.8%	3.4%	-6.0%	0.5%	53.3%	46.4%	28.3%	Close Ended
SageOne Flagship Growth 1 Fund**	Sep-19		-4.9%	-11.7%	-14.8%	0.3%	50.6%	-	33.2%	Close Ended
SageOne Flagship Growth 2 Fund	Aug-21	-	0.0%	0.8%	-5.2%	-1.1%	-	-	0.2%	Close Ended
Sameeksha India Equity Fund^	Feb-22	-	2.0%	2.6%	1.2%	-	-	-	1.7%	Open Ended
Sundaram Alternative Opportunities Series- ACORN^	Feb-20	-	-2.4%	1.4%	-0.5%	-6.4%	26.3%	-	21.3%	Close Ended
Volvin Growth Fund-Active Rabbit	Sep-22	20	3.5%	-	-	-	-	-	3.8%	Open Ended
White Oak India Equity Fund- II	Mar-19	1213	2.7%	6.4%	4.3%	-4.7%	24.3%	-	20.8%	Close Ended

The Data is indicative and as of 31st Oct, 2022. 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.

^ Net of Expenses & Taxes

* Gross of Expenses & Taxes

** Performance is as of 30 June'22. Fund is Closed and redeemed post June'22

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

CAT 3 Alternate Investment Fund Performance Data as of 31st Oct 2022

LONG SHORT AIFs											
Strategy	Inception Date	AUM	1M	3M	6M	1Y	2Y	3Y	5Y	SI	Type
AlphaMine Absolute Return Fund	Apr-22	-	-0.6%	2.7%	8.4%	-	-	-	-	8.9%	Open Ended
Altacura AI Absolute Return Fund	Oct-21	353	1.5%	4.7%	8.8%	15.3%	-	-	-	15.3%	Open Ended
Avendus Absolute Return Fund *	Mar-17	-	0.8%	2.0%	4.4%	8.0%	12.7%	10.2%	11.5%	12.6%	Open Ended
Avendus Enhanced Return Fund-II	Nov-18	-	4.3%	7.8%	10.0%	1.1%	20.2%	10.8%	-	12.4%	Open Ended
Avendus Market Neutral Fund	May-21	-	0.9%	4.4%	-	-	-	-	-	5.6%	Open Ended
Dolat Absolute Return LLP	Jan-21	-	0.9%	1.9%	3.9%	7.4%	-	-	-	7.3%	Open Ended
Edelweiss Alternative Equity Scheme*	Aug-14	1137.9	-1.2%	-3.4%	-6.5%	-15.7%	7.0%	6.9%	8.4%	14.0%	Open Ended
Edelweiss Consumer Trends Fund	Apr-21	396.82	-0.2%	4.6%	8.0%	1.6%	-	-	-	14.9%	Close Ended
Edelweiss Dynamic Growth Equity Fund	Apr-21	500	5.1%	7.9%	8.9%	10.0%	-	-	-	18.0%	Open Ended
Estee Enhanced Alpha Fund	Apr-22	22.51	-0.1%	2.5%	-1.1%	-	-	-	-	-3.3%	Open Ended
ICICI Pru Long Short Fund-Series I	Aug-18	4595.9	0.8%	1.9%	4.2%	9.0%	13.1%	12.9%	-	13.9%	Open Ended
ITI Long Short Equity Fund *	Apr-18	806.75	0.6%	1.7%	6.2%	2.8%	15.7%	14.3%	-	13.5%	Open Ended
TATA Absolute Return *	Apr-19	-	0.7%	0.3%	5.4%	10.7%	9.4%	4.5%	-	7.6%	Open Ended
TATA Equity Plus Abs Returns Fund *	Mar-20	-	1.2%	1.2%	4.8%	10.0%	21.9%	-	-	24.6%	Open Ended
True Beacon One	Aug-19	-	3.4%	3.3%	3.5%	-0.3%	9.2%	18.0%	-	18.7%	Open Ended
Whitespace Alpha Fund 1- Equity Plus	Oct-19	-	7.2%	8.1%	5.3%	8.4%	31.2%	26.5%	-	27.9%	Open Ended
Whitespace Alpha Fund 2- Debt Plus	Aug-20	-	2.3%	1.2%	2.2%	4.4%	4.2%		-	4.1%	Open Ended

Index	1M	3M	6M	1Y	2Y	3Y
Nifty 50	5.4%	5.0%	5.3%	1.9%	24.4%	14.9%
Nifty 500	4.0%	5.2%	4.3%	2.2%	26.9%	16.7%
Nifty Mid Cap 100	2.5%	6.1%	5.2%	3.2%	35.7%	23.2%

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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



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