



PMS AIF WORLD
High Performance Investing

OCTOBER, 2023 NEWSLETTER

CAT 3 ALTERNATIVE INVESTMENT FUNDS

MONTH

OCTOBER, 2023

DATA AS OF

30TH SEPTEMBER, 2023

PREPARED BY

PMS AIF WORLD

MONTHLY PERFORMANCE REPORT

September, historically always a highly volatile month



Kamal Manocha

Founder & CEO,

Dear Investors,

India is the largest democracy in the World. With a rich demographic diversity and a thriving stock market, India is a mix of traditional and contemporary businesses. It is today one of the most attractive destinations for investors as Indian economy embarks on a journey from a \$3 trillion to a \$5 trillion economy...

At present, India's GDP stands at approximately \$3.4 trillion, while its stock market capitalization closely follows at \$3.2 trillion. According to the original Buffet Indicator, which evaluates the market cap to GDP ratio, the Indian stock market appears to be fairly valued.

The ratio of total market capitalization to GDP is currently at 96.75%, with a range of 58.03% as the minimum over the last decade and 119.68% as the maximum during the same period. Despite this fair valuation, it's noteworthy that stock markets inherently undergo cyclical fluctuations, that cause shifts between equities representing traditional and modern sectors, often accompanied by periods of heightened volatility. This is precisely the scenario unfolding at the moment.

In September 2023, following the conclusion of the G20 meeting in Delhi, Indian equities reached historic highs, with Nifty50 surpassing the 20k mark and the Sensex crossing 67.5k. However, in the days that ensued, markets experienced consolidation due to the increase in crude oil prices, leading to elevated inflation expectations and subsequently resulting in selling by FIIs. Additionally, stocks held by Canadian pension plan funds were negatively affected due to the ongoing political dispute between the two nations. Concerns over US Fed's interest rate hike, contraction in the UK economy leading to a recession, are looming over global equity markets. Despite that, month ended Nifty50 recorded returns of 1.7%, while the S&P BSE Sensex delivered returns of 1.3%.



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Since the rise in interest rates in the US & other economies last 2 years, highly valued quality stocks from FMCG, Healthcare, IT, Pvt banks have shown under-performance despite delivering good earnings. And this is because, these stocks (example - Nestle, Divis Lab, TCS, HDFC Bank, and so on) were over-valued and market had turned value conscious with rise in rates. The question that arises is whether this under-performance in quality stocks signify a long-term change towards Value Investing or is it merely a 2–3-year trend?

The data below provides a decade-long overview of sector-wise performance. It's evident that sectors offering valuation comfort, like PSU banks, real estate, oil & gas, metals, utilities, and telecom, have significantly underperformed when compared to sectors such as FMCG, healthcare, IT, and private banks.

This discrepancy can be attributed to the fundamental principle that, in the long term, stock prices tend to mirror earnings. The top four sectors have thrived because they've consistently demonstrated strong earnings growth. Following this logic, the recent upsurge in stocks from sectors characterized by volatile earnings growth appears to be a passing trend.

However, it's essential to consider that some businesses within the underperforming sectors might be on the cusp of a new era marked by sustained earnings growth. This potential shift could be closely tied to the ongoing growth of the Indian economy, particularly in these core sectors. Only time will reveal the true trajectory, but it's vital to acknowledge that holding businesses with inconsistent or weak earnings, especially at current levels, carries inherent risks.

Consistent Earnings v/s Volatile Earnings												10 Years CAGR	10 Years CAGR Price Performance
Index Name	CY12	CY3	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22		
Sectors are ranked based on price performance													
Sectors with Consistent / Quality Earnings													
S&P BSE FMCG	3	4	5	4	6	6	2	7	5	9	4	4	11%
S&P BSE Healthcare	5	2	3	1	9	10	4	6	1	8	9	3	11%
S&P BSE IT	9	1	6	2	8	9	1	4	2	3	10	1	17%
NSE Nifty Private Bank Index	1	6	1	5	4	4	3	2	8	10	3	2	14%
Sectors with Volatile Earnings													
S&P BSE Telecom	10	3	8	3	10	2	10	3	3	6	7	9	5%
S&P BSE Utilities	8	8	4	7	3	7	5	8	7	2	2	6	8%
S&P BSE METAL	6	7	10	9	1	3	8	9	4	1	6	7	7%
S&P BSE OIL & GAS	7	5	7	6	2	5	6	5	9	7	5	5	9%
S&P BSE REALTY	2	10	9	8	7	1	9	1	6	4	8	8	5%
NSE Nifty PSU Bank Index	4	9	2	10	5	8	7	10	10	5	1	10	2%



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Latest Valuations of Indian equity markets in terms of trailing PE ratios, in comparison with their historical averages are:

INDEX	CURRENT PE RATIO	HISTORICAL AVG PE RATIO
Nifty Large Cap	22.0	21.5
Nifty Mid Cap	23.5	22.0
Nifty Small Cap	25.0	23.5

As one can observe that the gap between the current PE ratios of Indian equity markets and their historical averages is not significant - while PE ratio is just one indicator for investment decision, but valuations are Fair for Large caps but high for Mid Caps and very high for Small Caps.

To experience good returns, it is imperative to make a good investment decision. And that is why **PMS AIF WORLD** is here – to help you make informed investment decisions. We are Client Managers, and one of the best out there to help you compound your Wealth!

We understand the Wealth Management Industry profoundly and help every investor make informed investment decisions based on their current portfolio and profile.

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**6 years to \$6 trillion
Indian Economy**

COMING SOON!

CAT 3 Alternate Investment Fund Performance Data as of 30th Sep 2023

LONG ONLY AIFs										
Strategy	Inception Date	AUM	1M	3M	6M	1Y	2Y	3Y	SI	Type
Abakkus Emerging Opp. Fund	Jun-19	-	0.10%	15.40%	35.70%	51.50%	16.40%	43.30%	37.50%	Close Ended
Abakkus Growth Fund-1	Jul-18	-	2.00%	11.70%	30.80%	36.20%	8.90%	33.20%	21.60%	Close Ended
Abakkus Growth Fund-2	Nov-21	-	2.10%	9.70%	27.10%	31.60%	-	-	20.50%	Close Ended
Abakkus Alpha Diversified Fund	Dec-22	-	4.30%	9.50%	18.30%	-	-	-	17.80%	Close Ended
Accuracap AlphaGen Next ^	Dec-18	88.86	1.30%	7.00%	19.80%	14.50%	3.60%	14.10%	11.20%	Open Ended
Accuracap Vectra Fund ^	Dec-18	32.88	-3.00%	2.00%	17.20%	15.10%	1.50%	15.60%	10.80%	Open Ended
Alchemy Leaders of Tomorrow	Jan-18	431	1.62%	9.21%	32.14%	15.79%	10.47%	27.89%	13.02%	Open Ended
Ampersand Growth Opportunities	Sep-17	395.67	-0.25%	12.18%	32.42%	28.20%	12.85%	30.80%	19.10%	Open Ended
Carnelian Compounder Fund – 1	May-19	-	3.44%	13.40%	33.21%	31.16%	9.17%	26.50%	20.25%	Close Ended
Carnelian Structural Shift Fund	Apr-22	-	0.88%	9.73%	36.79%	33.93%	-	-	30.26%	Close Ended
Dalal & Broacha India Oppo. Multicap^	Dec-19	-	0.17%	11.03%	30.55%	24.03%	7.00%	19.30%	13.90%	Open Ended
Edelweiss Catalyst Opportunities Fund	Jun-18	-	0.28%	5.10%	13.79%	6.39%	0.98%	17.44%	11.00%	Close Ended
First Water Capital Fund	Aug-20	-	5.49%	22.77%	49.28%	46.95%	21.35%	43.18%	40.74%	Close Ended
Girik Multicap Growth Equity Fund II	Jan-22	154.74	1.58%	13.60%	37.08%	25.26%	-	-	9.95%	Close Ended
360 ONE High Conviction Fund –Series 1^	Nov-19	619.02	3.69%	9.53%	22.32%	21.66%	5.31%	21.46%	13.70%	Close Ended
360 ONE Equity Opportunity Fund-Series 2	Feb-23	245.76	2.37%	3.27%	12.38%	-	-	-	10.86%	Close Ended
360 ONE Turnaround Opp. Fund	Jul-21	-	4.87%	12.85%	31.42%	31.66%	18.24%	-	19.54%	Close Ended
Guardian Capital Parners Fund Opportunities Scheme	Jan-20	-	-0.85%	5.13%	21.19%	33.11%	13.59%	36.97%	37.96%	Open Ended
Monarch AIF MNCL Capital Compounder Fund - I	Aug-22	322	3.77%	8.72%	25.77%	27.27%	-	-	28.53%	Close Ended
Prudent Equity ACE Fund	Dec-22	-	2.73%	25.96%	53.60%	-	-	-	47.53%	Open Ended
SageOne Flagship Growth 2 Fund	Aug-21	840	3.35%	20.00%	38.62%	25.99%	9.45%	-	11.03%	Close Ended
Sameeksha India Equity Fund	Feb-22	155.84	1.42%	15.01%	31.04%	36.87%	-	-	21.26%	Open Ended
Samvitti Capital Alpha Fund ^	Nov-15	285	2.38%	21.86%	54.91%	39.17%	14.44%	26.72%	12.73%	Open Ended
Sundaram Alternative Opportunities Series- ACORN^	Feb-20	-	-2.89%	3.06%	22.03%	6.85%	4.43%	21.39%	17.52%	Close Ended
Sundaram Alternative Opportunities Series- ATLAS^	May-22	-	-1.05%	1.39%	18.11%	7.60%	-	-	12.13%	Open Ended
I wealth fund-2	Oct-21	-	-0.19%	13.38%	27.92%	25.53%	-	-	8.94%	Close Ended

The Data is indicative and as of 30th Sep, 2023. 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

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

CAT 3 Alternate Investment Fund Performance Data as of 30th Sep 2023

LONG SHORT AIFs											
Strategy	Inception Date	AUM	1M	3M	6M	1Y	2Y	3Y	5Y	SI	Type
AlphaMine Absolute Return Fund	Apr-22	-	0.71%	2.20%	5.60%	13.89%	-	-	-	15.87%	Open Ended
Altacura AI Absolute Return Fund	Oct-21	961	1.02%	3.61%	7.63%	17.19%	-	-	-	33.16%	Open Ended
Aventus Absolute Return Fund *	May-23	-	1.00%	3.32%	-	-	-	-	-	3.32%	Open Ended
Aventus Enhanced Return Fund-II	Nov-18	-	1.07%	2.62%	22.43%	19.61%	8.68%	19.77%	-	13.11%	Open Ended
Aventus Market Neutral Fund	May-21	-	0.47%	-2.15%	-2.04%	-1.77%	-	-	-	1.98%	Open Ended
Divinion Dynamic Fund	Aug-22	-	1.35%	2.32%	9.80%	10.65%	-	-	-	10.77%	Close Ended
Dolat Absolute Return LLP	Jan-21	-	2.59%	7.70%	10.09%	14.09%	10.49%	-	-	10.22%	Open Ended
Edelweiss Alternative Equity Scheme*	Aug-14	-	2.30%	2.40%	10.63%	2.27%	-7.30%	6.65%	8.15%	12.91%	Open Ended
Edelweiss Consumer Trends Fund	Apr-21	-	0.55%	0.47%	16.19%	6.17%	3.27%	-	-	11.85%	Close Ended
ICICI Pru Long Short Fund-Series I	Aug-18	1907	0.22%	0.70%	2.54%	7.10%	8.04%	11.05%	10.57%	12.64%	Open Ended
ITI Long Short Equity Fund *	Apr-18	-	1.73%	0.96%	9.59%	9.06%	5.04%	13.99%	11.23%	12.74%	Open Ended
Nuvama Enhanced Dynamic Growth Equity Fund	Apr-21	795	1.00%	3.20%	14.10%	18.70%	12.50%	-	-	17.20%	Open Ended
TATA Absolute Return *	Apr-19	383	0.55%	1.79%	4.34%	9.26%	9.88%	9.27%	-	7.98%	Open Ended
TATA Equity Plus Absolute Returns Fund *	Mar-20	2131	0.87%	2.78%	9.34%	13.90%	12.23%	19.52%	-	21.91%	Open Ended
Volvin Growth Fund-Active Rabbit	Sep-22	-	1.04%	6.72%	19.59%	25.57%	-	-	-	25.99%	Open Ended

Index	1M	3M	6M	1Y	2Y	3Y
Nifty 50 TRI	2.00%	2.67%	14.02%	16.04%	6.85%	21.88%
BSE 500 TRI	2.11%	5.49%	19.39%	17.48%	8.46%	24.26%

The Data is indicative and as of 30th Sep 2023. 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



Best Webinars - September



Webinar

How can investors navigate Uncertainties and High Valuations to ensure a Happy and Successful Investment Journey?

Sep 29th, 2023
11:00 AM - 12:00 Noon IST

Speaker



Madhusudan Kela
Founder,
MK Ventures

Host



Kamal Manocha
Founder & CEO,
PMS AIF World

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Webinar

\$10 Trn Market cap opportunity

Sep 21st, 2023
11:30 AM - 12:30 PM IST

Speaker



Bharat Shah
Executive Director,
ASK Group

Host



Kamal Manocha
Founder & CEO,
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