



PMS AIF WORLD
High Performance Investing

SEPTEMBER, 2021 NEWSLETTER

CAT 3 ALTERNATIVE INVESTMENT FUNDS

MONTH
SEPTEMBER, 2021

DATA AS OF
31ST AUGUST, 2021

PREPARED BY
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MONTHLY PERFORMANCE REPORT

The Stock Markets Nudge: Part 2



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Dear Investors,

Hope you are keeping well.

In our July 2021 edition of the monthly newsletter, we spoke about the STOCK MARKETS NUDGE ([read here](#)). We want to dedicate this newsletter to few other nudges the stock usually sends out to stock markets.

In the last edition we spoke about certain behavioral follies the stock markets lead us to during a market correction or crash. We spoke about stock markets sending out certain action signals to investors during a market crash, most of which are not good for portfolio health. With this edition we will look at the Nudges that Stock Markets make during a raging bull run.

Sensex and Nifty are at an all-time high and the party doesn't seem to stop, opinions are abundant amongst investors while some feel this rally has lived beyond its means and then are those who feel that the rally has just started, and India has much more to offer. We will only know in time which of these opinions prevail, so as investors the uncertainties that were around when the markets crashed in March 2020 and the uncertainties that are around at all-time highs are not too different in nature.

Investing is interesting – investors are worried in market correction, and they are also worried when the market is in a raging bull run! What we want to convey to the investors thus is how we interact with the markets and how we behave during too much fear or too much greed determines the quantum of our success as investors. In the next few paragraphs, we will present a few specific behavioral nudges the stock market makes to investors during a bull run.

The Stock Markets Nudge:

Part 2

Nudge 1: Change in asset allocation

As markets have rallied quite a lot, the existing asset allocation would have changed, i.e., if you had 60% Equities and 40% Debt in your portfolio, post this stellar rally it's likely that your portfolio could be 70% Equities and 30% Debt now. This is an effect that the stock markets impose on investors during raging bull runs. Now there are many takes on this, while this might now always be bad for your portfolio, but one should be cautious of this effect and understand than try to evaluate the effects and consequences of asset allocation changes on their portfolios. If you feel you are the conservative kind of investor and don't want equity exposure above a certain level, you should maintain your asset allocation.

Nudge 2: Trading too much / Taking leverage

Markets nudge you to make activity in the stock markets especially during bull runs, and as you trade more and more you are at the risk of making significant damage to your wealth. In this bull run many stocks have rallied much and many other will and this makes us want to trade in them. While few people will make money trading daily during bull runs, we recommend investors to maintain caution while doing so.

One of the more detrimental nudges of stock markets during bull runs is a lot of investors borrow or take leverage to trade the markets. When you leverage to trade you are essentially buying more than you can pay for right now— this can be good for you if it works in your favour, and if it doesn't your loss could be amplified, too.

Thus, we urge investors to exercise caution while trading the market in bull runs or while taking leverage.

Nudge 3: Buying stories and selling good performers

In most bull runs, there are stories of company's fortunes turning around or having found some newfound market share. Investors start

The Stock Markets Nudge:

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chasing stories; quite a few of them turn out to be duds and then when the hype around them mellows down investors might be left with poor quality businesses run by bad managements. As we all know, money is always limited therefore the lure of multifold gains often might make investors sell quality businesses and chase stories, stories that might or might not end in a happy ending. Our strong recommendation thus is to ensure that you know the investments you make and try to evaluate the quality before more than just market hearsay.

Nudge 4: Stay invested in a quality portfolio

In a raging bull run this is one of the most difficult things to do and the market will prompt you the least to keep doing this, which means you will constantly be nudged by the market to do some activity which might hamper the quality of your portfolio, be confident and hold good investments with conviction in your portfolio, these will make money for you in bull runs as well as otherwise.

Nudge 5: Keep investing as per plans

This is one of the least nudges in the markets during bull runs and as investors we tend to deviate from original plans as we might feel valuations are too high, some new product that has come out or just the gains seem to drive us away from our investment plans. This is something we should take utmost care of and try not to change the investment plans unless something unavoidable comes up.

These are the 5 nudges that we feel investors might feel from the market and as its participants, we don't want to evaluate what's right or wrong— we simply advice investors to make **INFORMED DECISIONS**.

CAT 3 Alternate Investment Fund Performance Data as of 31st August 2021

LONG ONLY AIFs										
Strategy	Inception Date	AUM	1M	3M	6M	1Y	2Y	3Y	SI	Type
Accuracap AlphaGen Next ^	Dec-18	156.08	1.1%	8.4%	16.7%	37.5%	24.7%	-	16.7%	Open Ended
Accuracap Vectra Fund ^	Dec-18	56.91	0.5%	11.5%	23.4%	48.9%	31.3%	-	18.0%	Open Ended
Abakkus Emerging Opportunities Fund	Jun-19	-	2.5%	17.5%	51.1%	124.3%	66.8%	-	58.3%	Closed Ended
Abakkus Growth Fund	Jul-18	-	2.2%	13.4%	34.7%	99.3%	47.6%	27.0%	29.2%	Closed Ended
Alchemy Leaders of Tomorrow	Jan-18	324	6.7%	15.9%	23.8%	68.8%	32.8%	14.8%	12.8%	Open Ended
Ampersand Growth Opportunities - I ^	Sep-17	261	7.2%	19.1%	35.5%	71.6%	38.4%	21.8%	20.7%	Open Ended
Carnelian Compounder Fund – 1	May-19	-	4.9%	13.7%	27.1%	61.4%	32.0%	-	27.7%	Closed Ended
Dalal & Broacha India Oppo. Multicap ^	Dec-19	-	5.2%	11.0%	14.3%	47.2%	-	-	39.8%	Open Ended
Edelweiss Catalyst Opportunities Fund	Jun-18	-	2.7%	15.7%	26.0%	62.2%	27.6%	15.4%	17.8%	Closed Ended
Emkay Investment Emerging Stars Fund ^	Jan-18	-	-0.3%	11.9%	29.2%	82.4%	38.3%	19.3%	15.0%	Closed Ended
Girik Advisors Girik Multi Cap Growth Fund	Nov-18	120.56	4.2%	14.0%	28.2%	69.2%	43.4%	-	30.3%	Open Ended
IIFL High Conviction Fund –Series 1^	Nov-19	-	5.9%	15.6%	22%	59.4%	-	-	24.4%	Open Ended
IIFL High Growth Companies Fund	Nov-18	-	6.8%	16.9%	25.9%	67.0%	30.6%	-	24.3%	Closed Ended
IIFL Multi Strategy Fund	Sep-18	-	6.2%	14.9%	23.6%	60.7%	31.2%	-	19.3%	Closed Ended
I-Wealth Fund	Jun-18	-	0.5%	16.4%	30.2%	77.1%	45.6%	23.9%	26.3%	Closed Ended
Monarch MNCL Capital Compounder Fund	Oct-20	108.07	-0.4%	13.5%	32.7%	-	-	-	56.2%	Closed Ended
Nippon India Equity Opportunity Series- 6	Feb-21	-	4.5%	12.4%	26.8%	-	-	-	29.7%	Closed Ended
Roha Emerging Companies Fund	Nov-18	-	4.7%	27.7%	55.5%	130.2%	73.4%	-	35.4%	Closed Ended
SageOne Flagship Growth 1 Fund^	Sep-19	-	3.2%	19.6%	41.7%	100.4%	-	-	56.7%	Closed Ended
TCG Advisory SMF Disruption Fund	Jul-17	-	-0.1%	3.1%	14.0%	55.9%	28.0%	9.8%	8.3%	Open Ended
White Oak India Equity Fund-II	Mar-19	1249	4.8%	13.5%	26.0%	69.1%	41.1%	-	33.8%	Closed Ended

LONG SHORT AIFs											
Strategy	Inception Date	AUM	1M	3M	6M	1Y	2Y	3Y	5Y	SI	Type
Aventus Absolute Return Fund *	Mar-17	-	2.2%	4.6%	4.4%	15.0%	11.3%	10.9%	-	13.2%	Open Ended
Aventus Enhanced Return Fund-I	Dec-17	-	11.6%	11.5%	14.9%	47.3%	22.8%	11.5%	-	14.3%	Open Ended
Aventus Enhanced Return Fund-II	Nov-18	-	11.3%	11.5%	14.7%	42.1%	20.7%	-	-	16.3%	Open Ended
DSP Enhanced Equity Sat Core Fund^	Mar-17	-	2.9%	4.0%	5.1%	12.4%	7.7%	7.2%	-	7.1%	Open Ended
Edelweiss Alternative Equity Scheme *	Aug-14	-	5.3%	13.2%	24.7%	44.1%	24.4%	16.9%	14.9%	19.2%	Open Ended
ICICI Pru Long Short Fund-Series I	Aug-18	1713.75	0.8%	2.9%	8.3%	21.6%	16.6%	16.6%	-	16.0%	Open Ended
ITI Long Short Equity Fund *	Apr-18	371.09	8.7%	11.4%	14.1%	32.3%	23.8%	15.0%	-	17.1%	Open Ended
IDFC IEH Conservative Fund *	Jan-18	-	0.2%	3.0%	11.7%	12.6%	-	6.1%	-	5.6%	Open Ended
TATA Absolute Return *	Apr-19	-	1.6%	2.8%	6.0%	6.9%	3.3%	-	-	6.6%	Open Ended
TATA Equity Plus Absolute Returns Fund *	Mar-20	-	4.2%	7.8%	15.9%	35.9%	-	-	-	36.2%	Open Ended

Index	1M	3M	6M	1Y	2Y	3Y
Nifty 50	8.7%	9.9%	17.9%	50.4%	24.7%	13.6%
Nifty 500	6.5%	10.1%	19.5%	55.3%	27.3%	13.4%
Nifty Mid Cap 100	2.2%	10.3%	22.1%	70.3%	34.7%	12.6%

The Data is indicative and as of 31st August, 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

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,
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MUMBAI 400062

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