

Overview

- Seeks to leverage the structure & steepness of the money market yield curve
- Investments are into high quality & liquid bonds/CPs with less than 1 year residual maturity
- The idea follows a roll down strategy and generates capital gain if rate drops or spread compresses.
- Ideal for tenor between 3 to 12 months

Opportunity in the short term segment

- Currently, spreads are wide and expected to compress as regulators continue to provide liquidity
- Low interest rates are likely to continue

Investment Strategy

- The portfolio strategy would involve buying 6-9 month instruments & selling after 3-6 months at the 3-6 month rate, given the steepness available.
- By investing in 9 months CP/Bonds and holding it for 3 months, investor earns 6.50+ Roll down benefit 0.29%.
- Liquid fund returns are around 5%
- Even if the 6 month rate during exit rises by 25 bps, the portfolio would still generate a considerably attractive return of ~6.30%

Advantages:

- Credit control through customized portfolios
- Yield pick-up with ability to take advantage of yield curve steepness
- Potential for capital gains through roll-down leading to higher returns
- No commingling impact like in mutual funds
- As liquidity improves, spreads will likely compress, leading to an added benefit

Performance Comparison

Annualized returns as on 30th April, 2020

Scheme / Sector Name	1 Month	3 Months	6 Months	Since Inception (03/05/2019)
Liquid Fund Category Average	4.67%	5.31%	5.20%	5.79%
Liquid Alternate Strategy	7.77%	7.03%	7.48%	7.94%

*Source – ICRA, MFI Explorer

**Past performance is no indication of future returns

Indicative Exposures

(Not Exhaustive)

High quality & liquid money market instruments (Bonds & CPs) of various maturities below 1 year

- HDFC Group
- Bajaj Group
- L&T Group
- Reliance Industries/Jio
- Sundaram Finance
- AAA PSUs/FIs
- LIC Housing Finance
- Tata Group
- Aditya Birla Group
- Kotak Mahindra Group
- Bank CDs

Portfolio Return Sensitivity Over 3 Months

Scenario	Forecast Return
Yield Curve Remains Constant	6.79%
Yield Curve shifts down by 25 bps	7.28%
Yield Curve shifts up by 25 bps	6.30%

Product Snapshot

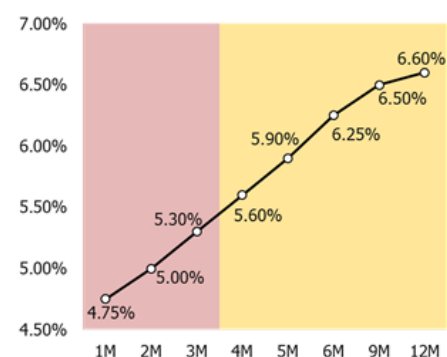
Bonds are directly delivered to the investor demat account

Tax Rate: Maximum Marginal Rate

Minimum Ticket Size: INR 5 Cr.

Inception Date: 3rd May, 2019

Current Money Market Yield Curve*



*These are current market rates and are subject to change

Disclaimer: TrustPlutus Wealth Managers (India) Private Limited & TrustPlutus Family Office & Investment Advisers (India) Private Limited (hereinafter referred as TrustPlutus) declare that this document is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Nothing in this document should be construed as investment or financial advice, and nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. The recipient of this document should make such investigations as is deemed necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. The data and analysis provided herein is provided for informational purposes. The information contained in this analysis has been obtained from various sources and reasonable care has been taken to ensure sources of data to be accurate and reliable. TrustPlutus is not responsible for any error or omission in the data or for any losses suffered on account of information contained in this analysis. While TrustPlutus has taken due care to ensure that all information provided is accurate however the company neither guarantees/warrants the sequence, accuracy, completeness, or timeliness of the aforesaid report. Neither TrustPlutus nor its affiliates or their directors, employees, agents or representatives, shall be responsible or liable in any manner, directly or indirectly, for views or opinions expressed in this analysis or the contents or any systemic errors or discrepancies herein or for any decisions or actions taken in reliance on the analysis. TrustPlutus does not take any responsibility for any clerical, computational, systemic or other errors in comparison analysis. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly to any other person or published, copied, in whole or in part, for any purpose. TrustPlutus Family Office & Investment Advisers (I) Pvt Ltd is registered with the Securities and Exchange Board of India ("SEBI") under the SEBI Investment Advisers Regulations 2013 bearing registration code number INA000000557. The Advisory Services are being provided under the said license. The consent of the investor is mandatory before execution of any transaction.

Please do write to us in case you need any further information.