

Plutus Nifty ETF Plus

August 2021



Investment Objective:

Enhance the returns profile of the Nifty 50 ETF by generating absolute returns over and above the returns of the Nifty 50 ETF.

Overview

The Nifty 50 index is a diversified 50 stock index accounting for 13 sectors of the economy. The Nifty 50 over years has successfully become the 'stock of the nation' helping investors gauge the pulse of Indian capital market. It is the most liquid index, which trades in high volumes over the exchange.

Our strategy entails investing into a Nifty 50 ETF and using our proprietary derivatives strategies to further enhance the overall yields of this large cap ETF. Our strategy seeks to improve the yields of the ETF on a monthly basis.

Advantages:

- Generate Alpha for the client over the returns of the Nifty50 ETF on a monthly basis
- The underlying being a liquid portfolio can be exited at a short notice

July 2021 Performance

Strategy Total Returns	Nifty50 TRI
0.71%	0.44%

July commentary

The Nifty50 TRI ended flat at 0.44% for the month of July 2021 amidst the declaration of corporate earnings. Overall, the result season has been uneventful as of now and markets remain supported by domestic fund flows. Valuations are stretched and we need to monitor growth in earnings as well as keep a close watch on potential headwinds as a result of a possible third Covid wave, commodity led inflation and volatility around the US Fed taper talk.

The big news emanated from China where the clampdown on the tech sector reverberated across the world. China will engage in a concerted effort over the next six months to police the technology sector over improper antitrust and consumer protection practices. With the frictions between the U.S. and China intensifying in the high-tech sector, Beijing has kept an eye for data leaks into the U.S. The new Data Security Law, which goes into effect in September, will go hand-in-hand with other mandates to safeguard the country's internet security.

The Federal Reserve held interest rates at near-zero, but hinted that the U.S. economic recovery is getting closer to a place where it may not need as much monetary support. The Federal Open Market Committee kept its benchmark interest rate in the range of 0% to 0.25%, but provided an update on its December 2020 commitment to purchasing at least \$120 billion a month in U.S. Treasuries and agency mortgage-backed securities until the recovery looked like it was making "substantial further progress." "Since then, the economy has made progress toward these goals, and the Committee will continue to assess progress in coming meetings," the FOMC statement said. The decision was unanimous.

For the month of July 2021, our strategy generated a total return of 0.71%

Inception Date:

1st June 2020

Minimum Investment:

1 Cr.

Benchmark:

Nifty50 TRI

Fees:

Fixed Fee: 0.50% p.a

Exit Option:

Monthly exit option available upon communication from the client before the 22nd day of every month. Funds will be redeemed post expiry of F&O trades for the month (Last Thursday of every month)

Performance Comparison (31st July 2021)

Strategy/Index	1 month	3 month	6 month	1 year	Since Inception (14 months)
Plutus Nifty ETF Plus	0.71%	9.32%	19.97%	50.90%	73.69%
Nifty50 TRI	0.44%	8.38%	16.59%	44.15%	67.01%

The above returns are absolute and are gross of fees and taxes; Past performance is not an indicator of future returns

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