

# Plutus Nifty ETF Plus

July 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

### June 2021 Performance

Strategy Total Returns	Nifty50 TRI
1.42%	1.14%

### June commentary

A continuous fall in covid-19 cases post the second wave and a steadily increasing vaccination drive continued to drive the equity markets higher with the Nifty50 TRI posting returns of ~1.14% for the month of June 2021. That being said, the new delta plus covid-19 variant continues to remain a threat which might spark a third wave within the country given the fact that less than 5% of the Indian population is fully vaccinated.

Moody's Investors Service, in June, slashed India's growth projection to 9.6 per cent for 2021 calendar year from its earlier estimate of 13.9 per cent. Moody's expects the overall hit to India's economy to be softer than that during the first wave last year. However, the pace of recovery will be determined by access to and delivery of vaccines, and the strength of the recovery in private consumption, which could be hampered by the deterioration of balance sheets of low- and middle-income households from job and wealth losses.

The Federal Reserve, in June, considerably raised its expectations for inflation this year. However, the central bank gave no indication as to when it will begin cutting back on its aggressive bond-buying program, though Fed Chairman Jerome Powell acknowledged that officials discussed the issue at the meeting. "You can think of this meeting that we had as the 'talking about talking about' meeting," Powell said in a phrase that recalled a statement he made a year ago that the Fed wasn't "thinking about thinking about raising rates." Though the Fed raised its headline inflation expectation to 3.4%, a full percentage point higher than the March projection, the post-meeting statement stood by its position that inflation pressures are "transitory."

For the month of June 2021, our strategy generated a total return of 1.42%

### Inception Date:

1<sup>st</sup> 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 (30<sup>th</sup> June 2021)

Strategy/Index	1 month	3 month	6 month	1 year	Since Inception (13 months)
Plutus Nifty ETF Plus	1.42%	8.88%	17.41%	59.88%	72.46%
Nifty50 TRI	1.14%	7.52%	13.22%	54.56%	66.28%

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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