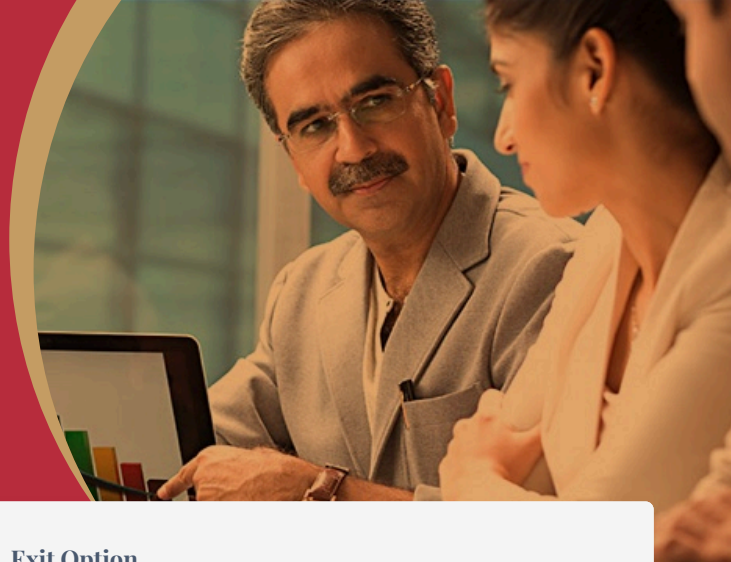




# Plutus High Yield Convertible

Generate monthly income and absolute return using single stock derivatives.

April 2022



Inception Date	Benchmark	Fees	Minimum Investment	Exit Option
1 <sup>st</sup> May 2020	CRISIL Liquid Fund Index	Fixed Fee: 1.25% p.a.	₹1 Cr	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)

## Overview

Our investment product entails offering the investor a monthly coupon as long as the underlying or a set of underlying trade at, or above a pre-set barrier level (strike price less the premium earned). If the underlying closes below the barrier level, the investor needs to take delivery of a number of shares of the underlying/set of underlying. This product is not capital protected and maximum loss will occur if the value of the underlying/set of underlying shares falls to zero with a full loss of capital for the investor.

## Investment Objective

To generate absolute returns using single stock derivatives on a monthly basis.

## Advantages

- ✓ Generate absolute returns on a monthly basis
- ✓ The underlying being a liquid portfolio can be exited at a short notice

## Investment Universe

• HDFC Bank	• Hindustan Unilever Ltd.	• ICICI Bank	• Wipro Ltd.	• Sun Pharmaceuticals
• Asian Paints Ltd	• HDFC Ltd.	• Bajaj Finance Ltd.	• Nestle India	• Bajaj Finserv Ltd.
• TCS	• State Bank of India	• ITC Ltd.	• Larsen & Toubro Ltd.	• Titan Company Ltd.
• Axis Bank	• Infosys Ltd.	• HCL Tech	• Maruti Suzuki Ltd.	
• Reliance Industries	• Kotak Mahindra Bank	• Bharti Airtel	• HDFC Life	

## March commentary

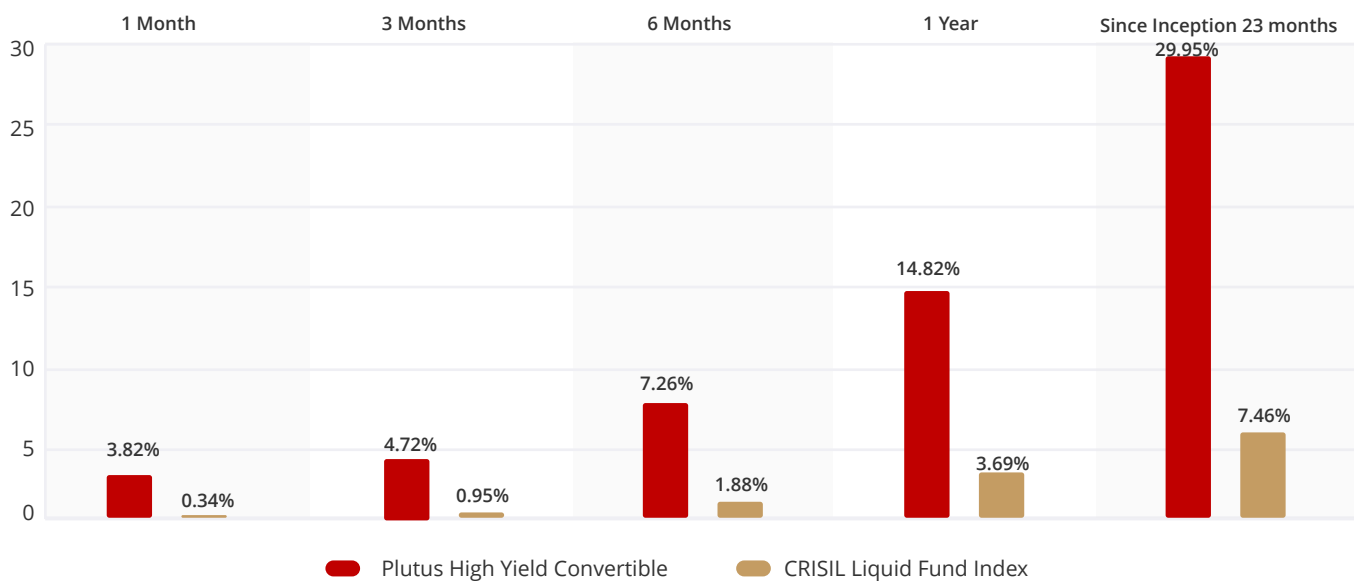
The month of March 2022 was a volatile month for the Indian Equity markets with the Nifty50 index falling ~5.54% in the first week of March, consequently gaining 10.10% from the lows. The Nifty50 TRI posted returns of 4.00% for the month of March 2022. FIIs continued to be net sellers for the sixth month in a row to the tune of ~Rs. 43,281 cr in March 2022.

The Federal Reserve on 16 March 2022 approved its first interest rate increase in more than three years, to address spiralling inflation without torpedoing economic growth. After keeping its benchmark interest rate anchored near zero since the beginning of the Covid pandemic, the policymaking Federal Open Market Committee said it would raise rates by a quarter-percentage point, or 25 basis points. That will bring the rate now into a range of 0.25% - 0.5%.

The Reserve Bank of India sees the ongoing geopolitical crisis as a downside risk for the Indian economy. The crisis has heightened the uncertainty clouding the global macroeconomic and financial landscape even as the world economy struggles to recover from the pandemic, the Reserve Bank of India said in its monthly bulletin for March 2022. As the conflict escalates, oil and other commodity prices are blazing to multiyear highs, and financial markets are on edge, driven by massive selloffs, it said. Amid these testing times, India is making steady progress on the domestic front as it recovers from the third wave. Its macroeconomic fundamentals remain strong, the bulletin said. Consumer and business confidence are rising, alongside improvement in demand. The bulletin also noted that debt reduction needs to assume prominence in the fiscal policy strategy. A forward-looking debt sustainability analysis was also carried out, based on IMF's debt dynamics tool, in the bulletin. The Union government's debt path is projected for the period 2022-23 to 2025-26, assuming a fiscal deficit of below 4.5% of GDP in the terminal year. In the baseline scenario, the central government's debt is projected to contract to 56.7% of GDP by FY26, from 60.2% in FY22.

Under the High Yield Convertible strategy, we were long on Energy, FMCG, Financials, IT and Communication Services sectors for the month of March 2022. Our strategy delivered a return of 3.82% for the month and has delivered an absolute return of 29.95% since inception (May 2020).

### Performance Comparison - 31<sup>st</sup> March 2022



\*Returns are computed based on the closing values of the last Thursday of the month. The above returns are for the model portfolio and may vary from client to client

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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