



**TRUSTPLUTUS**  
Wealth Management with a Conscience

# Plutus Long Short Strategy

A strategy to generate absolute returns based on fundamental analysis

May 2022



Inception Date	Benchmark	Fees	Minimum Investment	Exit Option
1 <sup>st</sup> October 2021	Nifty 200 TRI	Up-to 2.00% 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

The Plutus Long short strategy aims to generate absolute returns for the client by taking active views on stocks based on fundamental analysis. The strategy is sector agnostic but will seek appropriate diversification to limit idiosyncratic risk through a portfolio construct that contains a broad minimum number of securities that represent a cross sectional sectoral view of the Indian equity market.

No leverage is entailed and the strategy does not carry any “open risk”. Positions will be taken against either available cash and/or stock as margin. The same shall be sufficient to offset any loss on a derivative position.

## Investment Objective

To seek capital appreciation through long and/or short positions in equities and Indices.

## Advantages

- ✓ Can help diversify a portfolio that is long only equities.
- ✓ Absolute returns can be generated which are independent of market movement.

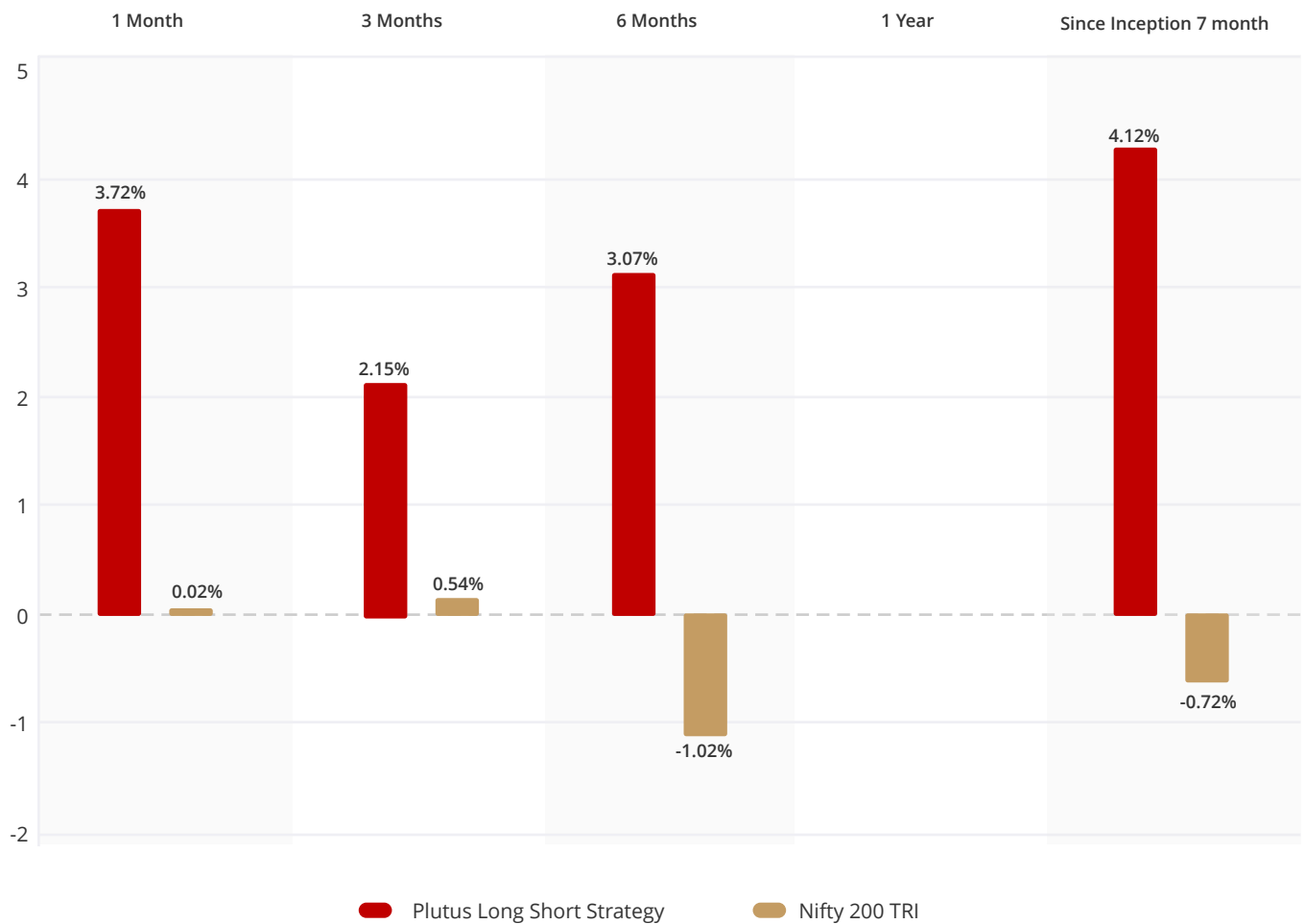
## April commentary

Amidst concerns over rising inflation and rate hikes, the Nifty50 TRI posted returns of -2.04% for the month of April 2022. FII's continued to be net sellers for the seventh month in a row to the tune of ~Rs. 40.652 cr. in April 2022.

Rising global inflation has spooked investors, leading to fears of an economic recession. The US, Europe, and Japan have all reported high inflation numbers. The Russia-Ukraine war along with COVID-19 shutdowns in China is elevating the risks of a recession. Inflation in the United States shot up 8.4% YoY for the month ending March 2022, hitting a 41-year high. It is the highest YoY increase in the inflation rate in the United States since December 1981. It is the second consecutive record-breaking inflation rate as February's figure had also registered a 40-year high YoY increase. February 2022 had recorded a 7.9 per cent YoY increase. The US consumer price index has soared by 1.2 per cent in March 2022 from its February 2022 figure. This increase of 1.2 per cent is itself the highest month-to-month jump since 2005. However, the US economy as a whole stands firm with record-high job openings and the unemployment rate dipping to the 50-year low. India's retail inflation, as measured by the consumer price index (CPI), rose to a 17-month high of 6.95 per cent in March 2022. Inflation in the food basket was 7.68 per cent in March, a significant rise from 5.85 per cent in the preceding month.

The Plutus Long Short portfolio was 70% long for the month of April 2022. The strategy delivered an absolute return of 3.72% for the month of April 2022.

## Performance Comparison - 28<sup>th</sup> April 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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