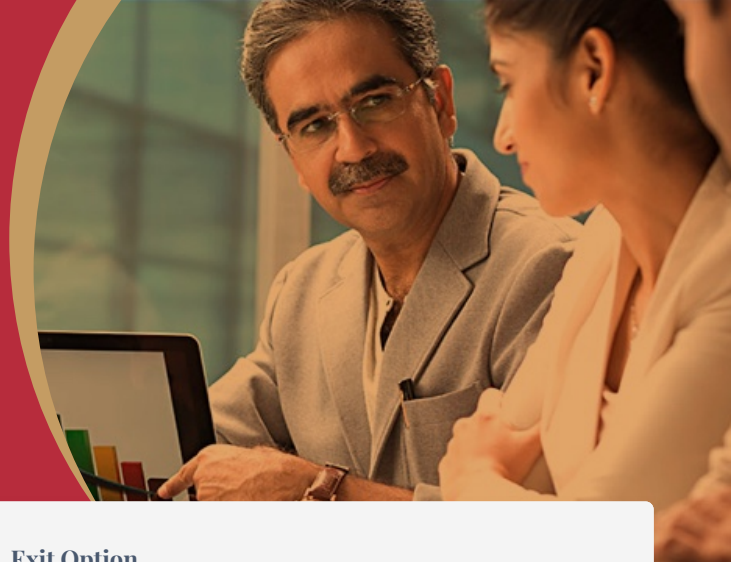




# Plutus High Yield Convertible

Generate monthly income and absolute return using single stock derivatives.

July 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	

## July commentary

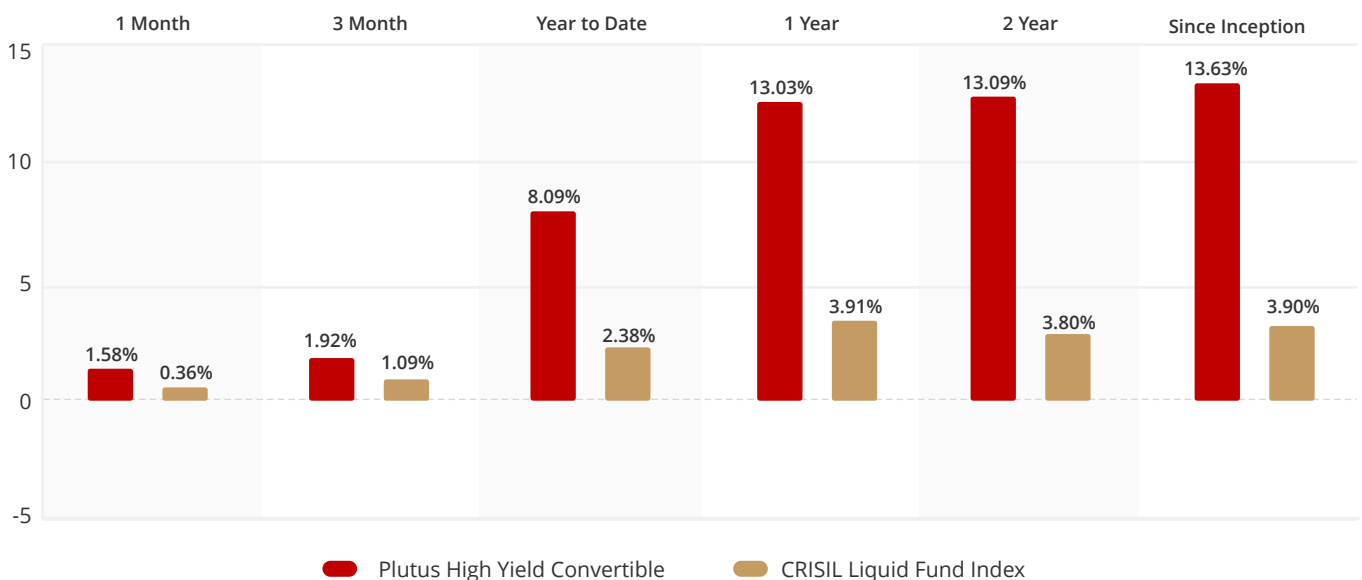
The Nifty50 index witnessed a strong rebound in July 2022 with the Nifty50 TRI posting 8.91% returns for the month. FIIs turned buyers of Indian equities in the month of July after 9 months of sustained outflows (+\$0.7bn inflow in July 2022 as compared to -\$6.3bn outflow in June 2022).

The Federal Reserve in July raised interest rates by 0.75% for the second consecutive time as it seeks to tame runaway inflation without creating a recession. In taking the benchmark overnight borrowing rate up to a range of 2.25%-2.5%, the moves in June and July represent the most stringent consecutive action since the Fed began using the overnight funds rate as the principal tool of monetary policy in the early 1990s. "As the stance of monetary policy tightens further, it likely will become appropriate to slow the pace of increases while we assess how our cumulative policy adjustments are affecting the economy and inflation," Fed chair Jerome Powell said in a statement. In its post-meeting statement, the Federal Open Market Committee cautioned that "recent indicators of spending and production have softened." "Nonetheless, job gains have been robust in recent months, and the unemployment rate has remained low," the committee added.

India's industrial production rose 19.6% in May, mainly due to strong performance by the manufacturing, power, and mining sectors. As per the data released by the ministry of statistics and programme implementation, the manufacturing sector expanded by 20.6% compared to a growth of 32.1% recorded in the year-ago period. Capital goods output, which is a barometer of investment, showed a growth of 54% in May 2022 against a jump of 74.9% in the year-ago month. The consumer durables segment grew by 58.5% against a growth of 80.4% a year ago.

Under the High Yield Convertible strategy, we were long on Infrastructure, Communication services, Financials, IT and Energy sectors for the month of July 2022. Our strategy delivered a return of 1.58% for the month and has delivered an absolute return of 33.32% since inception (May 2020).

### Performance Comparison – 28<sup>th</sup> July 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 gross of fees, expenses and taxes; Past performance is not an indicator of future returns. All returns above 1 year are annualised.

**Disclaimer:** TrustPlutus Wealth (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 (1) Pvt Ltd is registered with the Securities and Exchange Board of India ("SEBI") as a non-individual entity under the SEBI Investment Advisers Regulations 2013 bearing registration code number INA000000557 (validity till 12/12/2023) having registered office at 108, Balarama, Bandra Kurla Complex, Bandra East, Mumbai-51 and correspondence address at 802, Naman Centre, G-Block, Bandra Kurla Complex, Bandra East, Mumbai-51, Telephone no. +91 22 62746000. Principal Officer is Mr. Sameer Kaul, Director. Contact Number 91 22 6274 6078, Email: sameer.kaul@trustplutus.com. SEBI local office address; SEBI Bhavan, Plat Number C4- A, G-Block, Bandra Kurla Complex, Bandra East, Mumbai-400051. 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.**

[www.trustplutus.com](http://www.trustplutus.com) | [product@trustplutus.com](mailto:product@trustplutus.com)