



TRUSTPLUTUS
Wealth Management with a Conscience

Plutus Long Short Strategy

A strategy to generate absolute returns based on fundamental analysis

August 2022



Inception Date	Benchmark	Fees	Minimum Investment	Exit Option
1 st 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 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.
- ✓ Can help generate alpha over Index returns.

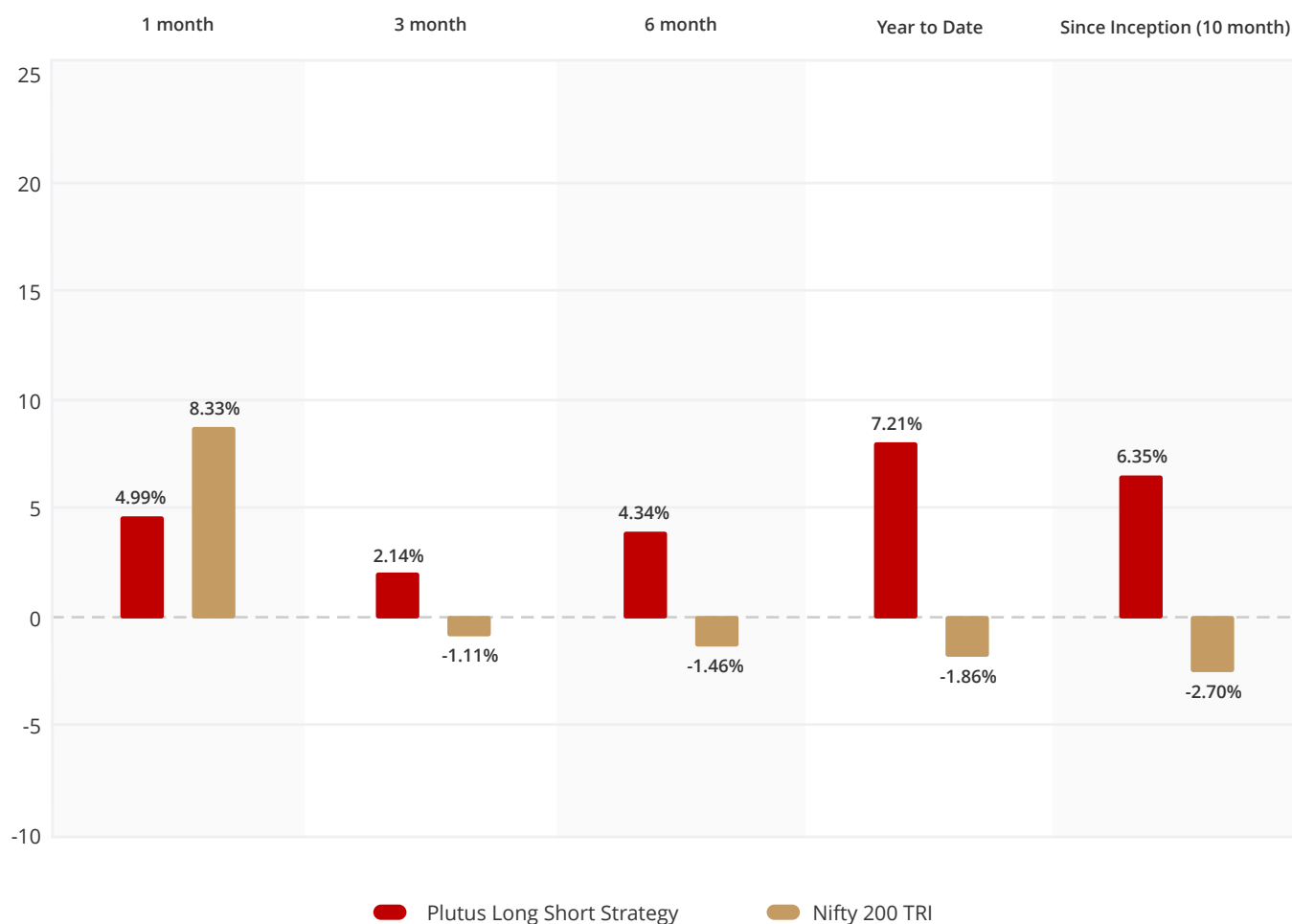
July commentary

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. The Plutus Long Short portfolio was 63.50% long for the month of July 2022. The strategy delivered an absolute return of 4.99% for the month of July 2022.

Performance Comparison - 28th 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 absolute and are gross of expenses and taxes; Past performance is not an indicator of future returns

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