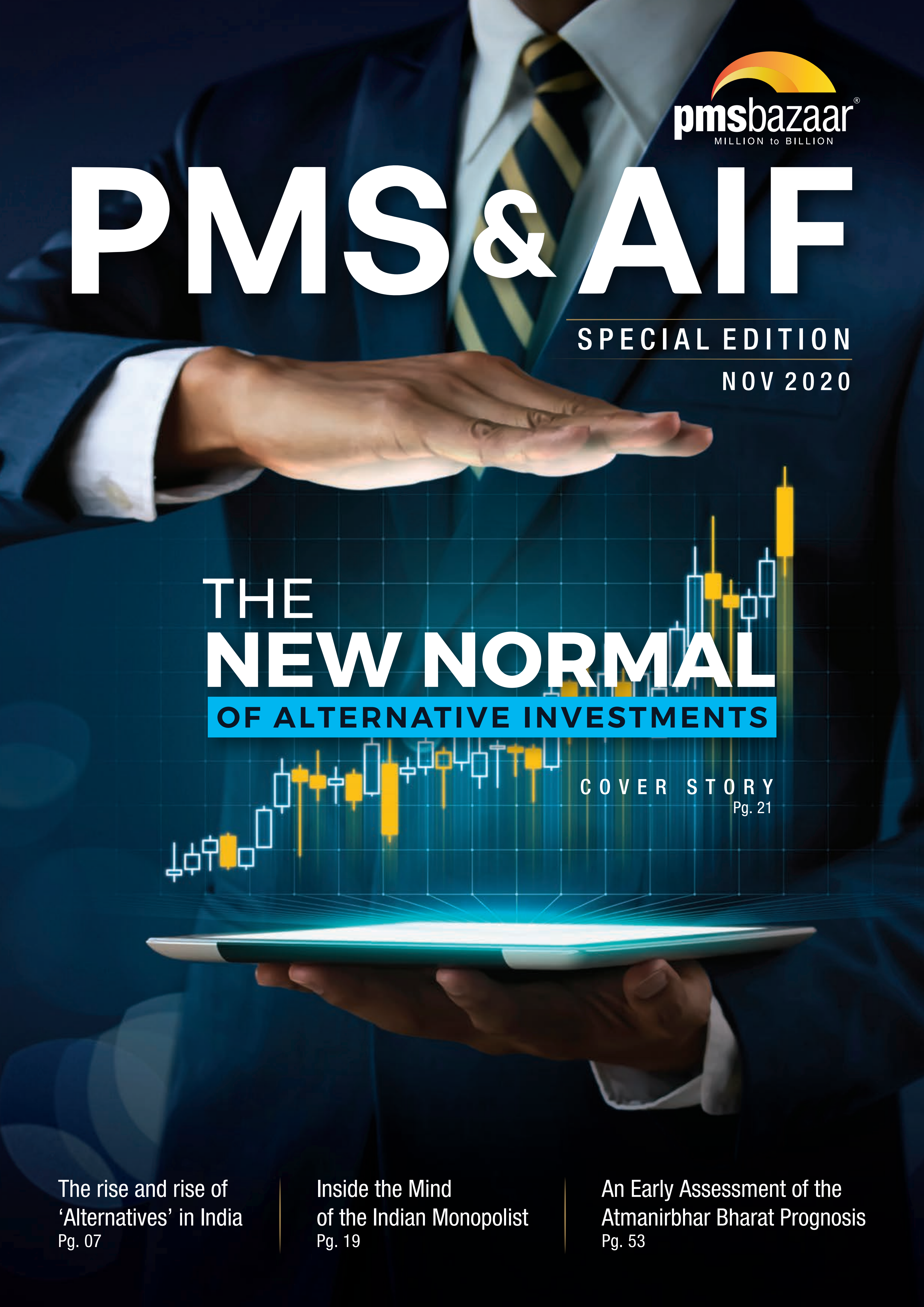

pmsbazaar
MILLION to BILLION

PMS & AIF

SPECIAL EDITION

NOV 2020

THE NEW NORMAL OF ALTERNATIVE INVESTMENTS

COVER STORY
Pg. 21

Quest
Investment
Advisors
SEBI Regd PMS & AIF Managers

QUEST FOUNDATION

One Eye on the Past

With over 130 years of collective equity market experience, we have built strong expertise in identifying stocks that are at the forefront of bringing disruption, about to enter into secular growth phase, or have been ignored by the market and are close to a turnaround.

One Eye on the Future

At Quest, we know a thing or two about staying the course. We've been at it for over three decades now. In this day and age of information overdose, our meticulous process derived from institutionalizing our past experience allows us to cut the noise from the investment process and generate alpha for our clients.

An Eye for Good

Quest Foundation: Our responsibility to the society

With the commitment from the founders to use all their profits for charitable activities, we are proud to be associated with various government and nongovernment socially committed entities. Over Rs 65 Crs spent on social initiatives in last 7 years.

Welcome to Trust...Welcome to Quest

Quest
Investment
Advisors
SEBI Regd PMS & AIF Managers

QUEST FOUNDATION

An Eye on the Horizon

Curating portfolios that stand the test of time…

Welcome to Stability…Welcome to Quest

www.questinvest.com +91-22-24066700 pms@questinvest.com

pmsbazaar®

MILLION to BILLION

- THANK YOU -

20000+

SUBSCRIBERS

On this occasion of crossing yet another milestone of 20,000+ Subscribers, we thank you for placing your trust and confidence on us

100+ PORTFOLIO MANAGERS

200+ PMS STRATEGIES

40+ AIF FUNDS

www.pmsbazaar.com

EDITORIAL

pmsbazaar
MILLION to BILLION

Greetings from Team PMS Bazaar!

We extend a very warm and hearty welcome to all of you to this Special Edition of PMS & AIF Summit 3.0. With you patronage and encouragement, we have been able to organize the PMS & AIF Summit for the last two consecutive years, and this our third straight year of organsing this Summit.

Keeping the significance of the PMS & AIF Summit 3.0 in mind, especially during these trying times, we have come out with a Special Edition consisting of exclusive hand-crafted articles from the best minds who belong to prestigious organizations in this niche industry.

With India-centric approaches and strategies, the practitioners have left no stone unturned when it comes to delivering the best return to the clients. All the articles, without any exception, have all been written by people who are in the helm of affairs in the PMS turf. They have given their undivided attention to the articles. You would, without much difficulty, find discerning insights in their writings. Such is their simplicity!

In this Special Edition, you would find essential wisdom on the following areas, among others:

- SEBI-mooted regulatory environment changes in the last one year, and how it has impacted the PMS & AIF industry.
- Risk diversification and its need in such volatile periods
- The future of customization of PMS / AIF Strategies for clients, with a view to generate higher alpha
- The growing acceptance and popularity of Alternative Investment avenues

We are very excited about what the future holds for India, insofar as the PMS / AIF areas are concerned, as we can clearly see the changes in the way the Indian HNIs / UHNIs have been parking their funds. The conscious move of this group to free itself from traditional investment opportunities, and to move to alternative investment possibilities, is a welcome sign. What is more, the consistent and dependable returns offered by the Indian PMS / AIF industry has significantly boosted the confidence of the new-age investors. They are willing to research for information, and experiment on their own.

It is at this interesting intersection that PMS Bazaar comes in with loads and loads of vetted information for the clients to make very informed and learned decisions.

We are, indeed, fortunate to be a playing an important role in the PMS / AIF industry, helmed by the crème de la crème of the investment world.

We take this opportunity to thank everyone for their encouragement, support and guidance.

We are sure you would find this Special Edition of interest and worthy of your attention.

Mr. Pallavarajan R
Founder - Director

Mr. Daniel GM
Founder - Director

Mr. Rajesh Kumar D
Founder - Director

Mr. Hameed Rahman
Founder - Director

Mr. K.S.Ramachandran
Director

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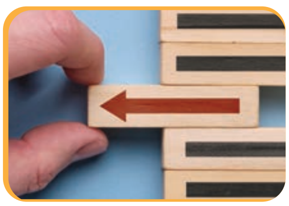

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Quest Investment Advisors

Quest Investment Advisors
SEBI Regd PMS & AIF Managers

ABOUT QUEST

Quest Investment Advisors is a Mumbai based, 100% Indian equity focused specialist in the portfolio management space. Founded by Mr. Ajay Sheth in the late 1980s, we have been in the Indian capital markets for over 3 decades now. We began our journey as a provider of high quality bespoke equity research in the mid-cap and small-cap space for FIIs, Mutual Funds and other Institutional investors.

Our passion and belief fuelled our desire to start Investment management services under the SEBI(Portfolio Managers) Regulations, 1993. In October 2007, we started off with our first PMS offering, Quest Flagship. Today we manage approx.Rs 1700 Cr, for our 1000+ clients spanning family offices,corporates, HNI and NRI clients across PMS and offshore strategies.

Journey over 30+ years

1987	Started with bespoke equity research catering to FII, MF and Institutions
2007	Launched our PMS offering with Quest Flagship PMS scheme
2010	Our first 100 clients onboarded and our AUM crossed INR 100 crores
2015	Quest family of happy clients grows to 500+ investors
2017	We crossed the 1000 client mark and also our INR 1000 cr AUM
2018	Got our AIF license and launched our AIF fund for selected clients
2020	Gearing up for our next leg of growth with new expanded team across functions

TEAM QUEST

The investment team's collective experience spans over 130 years in the Indian equity markets and we bring on the table a diverse mix of educational background and experiences.

The founding members of Quest are Mr Ajay Sheth & Mr Bharat Sheth. Mr Ajay Sheth has over 40 years of experience including over 30 years in the investment industry. Mr Bharat Sheth has around 28 years of experience in capital markets specialising in midcaps and smallcaps and identifying them early on in their cycle.

Our other members of the core investment team comprise of Mr Aniruddha Sarkar who is the Chief Investment Officer & Portfolio Manager and Mr Jigar Shah who is the Head of Research and Strategy. Other key personnel include Mr Hiten Sampat as the Chief Compliance officer and Mr Shankar Gopalan as our Head of Sales and Distribution. The core team is assisted by an experienced team of four analysts who collectively track, monitor and evaluate various portfolio and non-portfolio companies.

Quest Values

We at Quest believe that it's our core values that create long term value for our customers.

CUSTOMER FOCUS

All our internal efforts are focused on creating sustainable long term value for our customers. We strive to live a 'customer first' philosophy in all our actions, both internal and external.

GIVING BACK TO SOCIETY

The larger scope of our focus is to make society a better place for its marginalised segment. Through Quest Foundation we aspire & strive to humbly serve them by way of making an impact through a judicious mix of activities encompassing education, healthcare and financial assistance.

PROCESS DRIVEN CULTURE

Our operating philosophy hinges on creating a process driven culture which creates a meticulous framework which acts as a beacon of light and guides our stock picking in the turbulent waters of Indian equity markets.

INTEGRITY & CONSISTENCY

Integrity in both actions & spirit on a consistent basis is the main contributor towards being able to be consistent in our investment process & generating superior returns on an ongoing basis.

LONG TERM THINKING

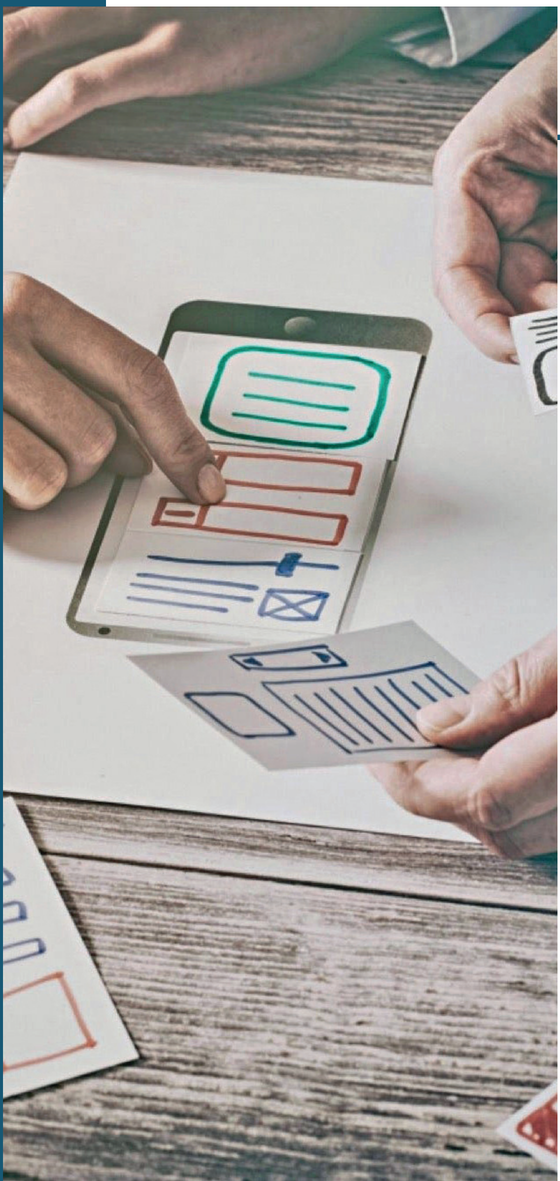
Our actions are oriented towards generating superior and sustainable long term outperformance for all our clients. We believe in the power of long term compounding, opportunity to grow investments in a significant manner.

TRUST THROUGH TRANSPARENCY

We strive towards achieving the highest standards of trust, and look towards furthering the trust our clients have imposed in us over the past 3 decades. For the same we believe in honest communication and encourage dialogue with all key stakeholders.

Quest Investment philosophy

We at Quest, believe in keeping investments simple and ensuring we do our basic ground research thoroughly rather than looking for elusive magical moments. Our investments are based on a set of principles, which have stood the test of time and guided us well over the years. They have helped us during good and bad times and in riding out market volatility while generating outperformance. The following have been our guiding star over the years:



1

SIMPLICITY: A good business must be simple to understand, have an established market, few well entrenched players and a clear runway. These factors along with a low threat of disruption from existing or new competition can in turn create a long-term compounding machine.

2

MANAGEMENT TRACK RECORD: A good business has to be backed by an able, honest and passionate management team. More often than not, such businesses are less affected in adverse times, and more importantly, always treat their smallest shareholder as their partner. A quality management is what enables a business to possess a strong vision plan and the wherewithal to execute the same following prudent capital allocation and optimizing risk-reward payoff.

3

SOUND FINANCIALS: The financials of a company are what makes it stand out from the crowd. A company with a strong balance sheet, strong ROE profile, steady or rising margin profile, strong cash flow generation capability is what makes us excited about a company once it meets the earlier two qualitative parameters mentioned above.

4

INVESTING IS A MARATHON: The real beauty of equity growth kicks in when a company gets re-rated. This often is the outcome of favorable macros viz. growth in sales & profitability leading to improving return ratios. We aim to create a framework that helps in identifying these companies early on and riding the curve of expanding earnings leading to a valuation rerating rather than a plain vanilla momentum approach.

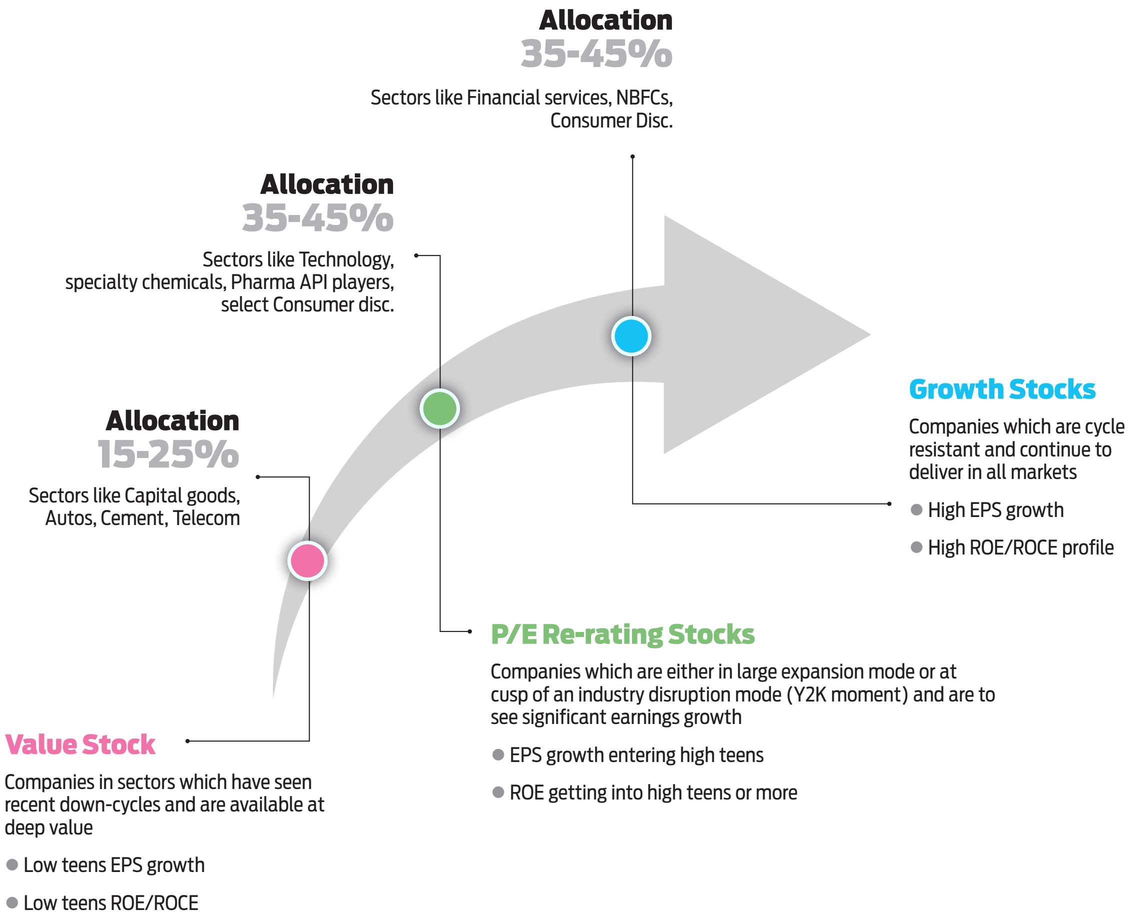
5

MARGIN OF SAFETY; AN EYE ON VALUATION: Valuation is the ultimate art of mastering long-term equity returns. Often mixed with mathematical analysis pertaining to financial ratios, the real crux of valuation boils down to buying growth at reasonable prices. That gap allows for a cushion during testing market conditions.

INVESTMENT STRATEGY

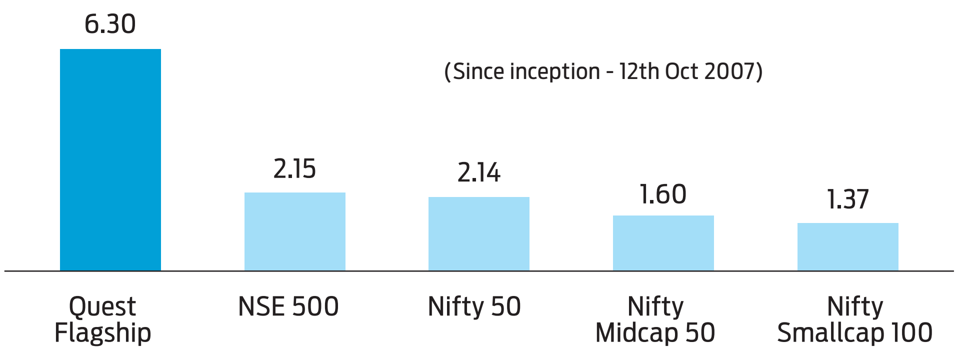
- Sector and market-cap agnostic & look for outsized upside potential
- Mix of Top-down and Bottom-up approach in selecting the portfolio companies
- Be agile & move across sectors with the business cycles keeping ears to the ground and eyes on the companies
- Look for mispriced opportunities and not to overpay for businesses: keep an eye on valuation
- Actively manage cash levels in portfolio to take advantage of volatilities in market
- Not to take undue risk for getting high reward; focus on High Risk Adjusted returns

We would define **our style of investing as a mix of value and growth.** We make our allocation across the spectrum of both growth and value stocks with a bottom up stock picking approach. This gives us the benefit of a stable core portfolio during turbulent times along with higher alpha kicking in during up-cycles. Our portfolio construction objective is to ride the opportunity along the entire spectrum of a company's possible life cycle journey viz. from value stock to PE multiple re-rating candidate to finally becoming a growth stock which becomes core long term steady compounders.



Quest PMS Schemes

Quest Flagship, is our first PMS offering and has generated CAGR of 15.1 % since inception



Rs. 1 crore invested in Quest Flagship PMS at inception is worth Rs. 6.30 cr as on 31st Oct 2020.

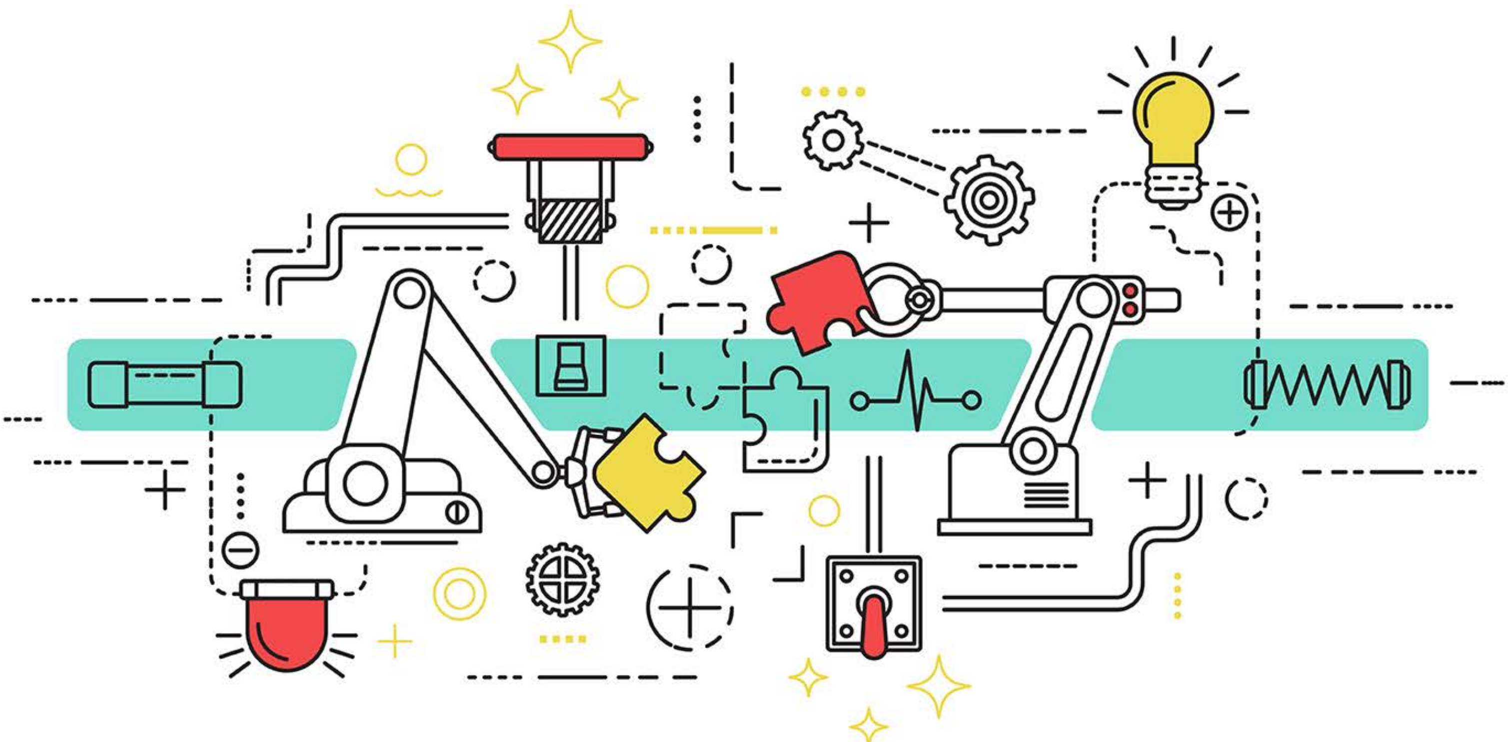
As on 31st Oct 2020	CY20	CY19	CY18	CY17	CY16	CY15	CY14
Quest Flagship PMS	8.30%	-0.70%	-15.70%	47.50%	8.10%	12.40%	77.00%
NIFTY – 500	-2.95%	7.70%	-3.40%	35.90%	3.80%	-0.70%	37.80%

As on 31st Oct 2020	3 months	6 months	1 year	3 years	5 years	Since Inception
Quest Flagship PMS	6.75%	22.45%	6.61%	-1.04%	8.52%	15.13%
NIFTY – 500	6.04%	19.58%	-1.11%	1.53%	7.25%	6.04%

* The returns are computed on TWRR basis as on 31st Oct 2020

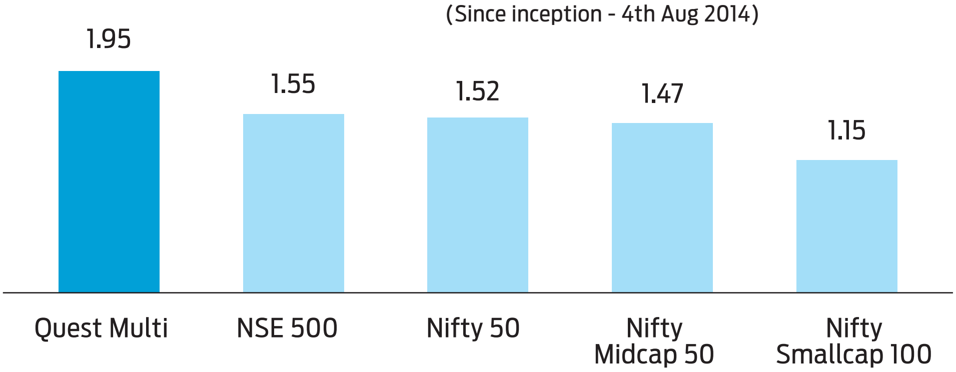
Strategy Objective & Theme

- To generate long term capital appreciation and **superior Risk Adjusted Returns** for clients in the long run by creating alpha through selection of a basket of high-quality listed companies across market capitalizations.
- Quest Flagship PMS strategy would be **market-cap agnostic but have a bias towards large cap companies** as defined by their market capitalizations.
- It would be a sector agnostic portfolio and invest in a **diversified basket of 25-30 companies** at any point of time.
- The portfolio is suited for clients who have a **minimum of 3 - 4 years**



Quest Multi, is our second PMS offering and has generated CAGR of 11.3% since inception. *

(Since inception - 4th Aug 2014)



Rs. 1 crore invested in Quest Multi PMS at inception is worth Rs. 1.95 cr as on 31st Oct 2020.

As on 31st Oct 2020	CY20	CY19	CY18	CY17	CY16	CY15	CY14
Quest Multi PMS	10.20%	0.00%	-22.50%	53.20%	8.30%	14.50%	20.40%
NIFTY – 500	-2.95%	7.70%	-3.40%	35.90%	3.80%	-0.70%	37.80%

As on 31st Oct 2020	3 months	6 months	1 year	3 years	5 years	Since Inception
Quest Multi PMS	10.54%	30.86%	11.13%	-0.31%	9.66%	11.25%
NIFTY – 500	6.04%	19.58%	-1.11%	1.53%	7.25%	7.28%

* The returns are computed on TWRR basis as on 31stOct 2020.

Strategy Objective & Theme

- To generate long term capital appreciation and **superior Risk Adjusted Returns** for clients in the long run by creating alpha through selection of a basket of high-quality listed companies across market capitalizations.
- The Quest Multi PMS strategy would be **market-cap agnostic but have a bias towards midcap and small cap companies** as defined by their market capitalizations.
- It would be a sector agnostic portfolio and invest in a **diversified basket of 25-30 companies** at any point of time.

Quest Foundation: Our responsibility to the society

With the commitment from the founders to use all of their profits for charitable activities, we are proud to be associated with various government and non-government socially committed entities. Over Rs 65 crshas been spent on social initiatives in last 7years by Quest Foundation.

Our foundation's activities and work are spread across medical, education and towards providing direct financial aid/ assistance to the less fortunate.

Quest Foundation has been actively working with various hospitals in Mumbai for Covid-19 related assistance and has ear-marked Rs 20 crores towards the same.

Way Forward

After completing 3 decades of Indian equity investing, Quest is now readying itself for the next leg of growth. In the process all the functional areas team at Quest have been expanded with new experienced industry veterans coming on board.

Our vision for this next leg of journey is to compound value for our investors and become one of the leading boutique investment managers in the country in the next decade and do this while achieving consistency in generating superior returns.

The rise and rise of 'Alternatives' in India

Pallavarajan R
Founder - Director
PMS Bazaar

With the new entry barrier for PMS investment at Rs 50 lakh, wealth investors can get concentrated portfolios around specific themes. This level of concentration or customization is not available anywhere else. If chosen right, these focussed portfolios can outperform, especially in bull markets, like now.

There is always an 'Alternative'. As traditional investment options fail to provide a customized and sophisticated investing experience to rich investors, 'Alternative Investments' have come to the rescue. Portfolio management service (PMS) and Alternative investment fund (AIF) have emerged as a trustworthy option for discerning wealthy investors. Well, numbers speak for themselves.

The increased interest in PMS and AIF can be gauged from the increase in the number of operations i.e. outlets and clients. The number of clients in PMS industry at the end of July 2020 for discretionary services category was 1,48,336, more than 3 times in 5 years than the 44,955 reported in July 2015. The over 3 times growth in clients in PMS industry comes on the back of significant rise in the number of portfolio managers from 208 to 335 in the same time. In the case of AIFs, the number of AIF providers has shot up to nearly 700 almost 5 times in 5 years. And this is just in 5 years. Imagine the rate of growth in longer periods like 10, 20, 30 years!

The rise and rise of 'alternative investments' is evident from the amount of assets managed/invested as well by PMS and AIF providers. For instance, total assets under management (AUM) of portfolio management services industry stood about Rs 9.70 lakh crore in July 2015 and by July 2020 the number almost doubled to Rs 18.77 lakh crore. In the case of AIFs, committments raised by September 2020 was Rs 4.05 lakh crore compared to less than Rs 40,000 crore by September 2015.

Its not just 5 years that show rise. Yearly growth metrics also indicate the positive momentum. PMS assets

under management grew from Rs 16.4 lakh crore in July 2019 to Rs 18.77 lakh crore in July 2020, a rise of 14%. The numbers include advisory clients and assets managed for provident funds and advisories.

There are many types of PMS and AIF providers. The list starts with usual asset management companies (AMC), which also may or may not have mutual fund schemes. Then, there are independent individual portfolio managers, often started by investment veterans. These independent managers may have small-sized funds of a few hundred crores while a few select institution-focussed managers manage even a few thousand crores of alternative assets. The popularity of this investment product is also supported by the rising earnings for AMCs from PMS.

With PMSes and AIFs generating solid returns for initial investors, the door has opened wide for more clients. The choice of fund manager matters. Investors loaded with money are discerning and while traditional portfolio options in the mutual fund space offer a limited choice of stable fund managers, PMS and AIF have shown tremendous scale-up.

Many veterans have built incredible 'alternative' businesses, while many professionals have set up promising outfits. A number of mutual fund managers over the last 2-3 years have shifted to managing PMS and AIF portfolios. Plus, the current bull market has also supported 'alternative strategies', which often ways to capitalize that no other traditional option does. For high net worth individuals (HNIs) who want to diversify beyond the plain-vanilla variants, PMS and AIF are the next option.

With the new entry barrier for PMS investment at Rs 50 lakh, wealth investors can get concentrated portfolios around specific themes. This level of concentration or customization is not available anywhere else. If chosen right, these focussed portfolios can outperform, especially in bull markets, like now.

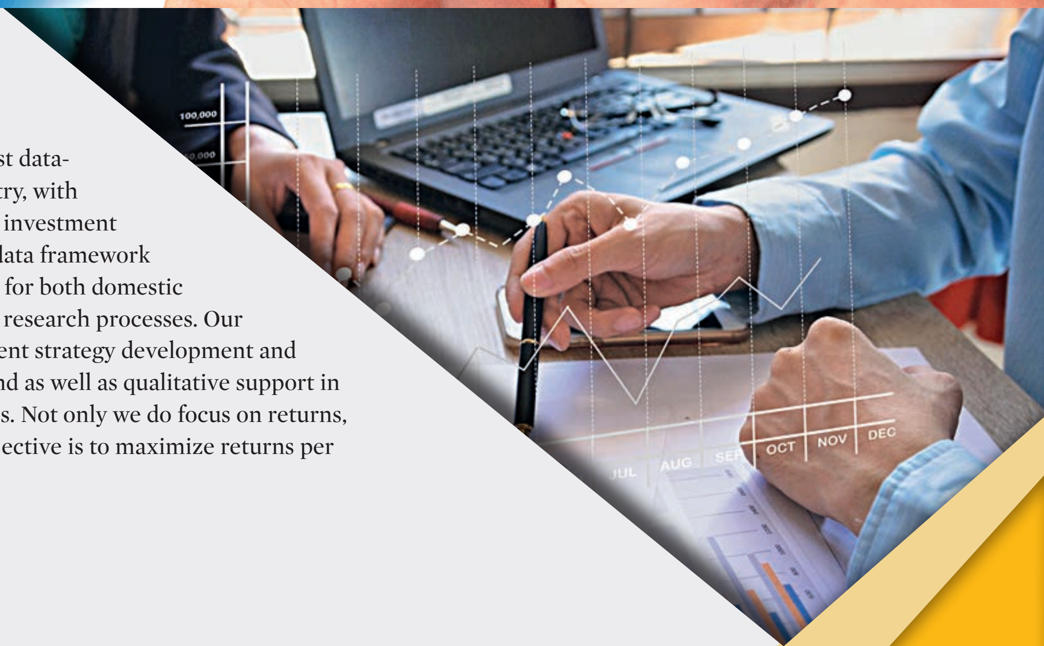
The level of transparency in PMS is great too. Once invested, portfolio activity can be seen at every step. Regulator Securities and Exchange Board of India (Sebi) has prescribed strict format of performance disclosure and reporting as well.

Narnolia®

A Brief Introduction of our Company

We at Narnolia, are celebrating 24th year of our existence and as we look back we find this journey of over two decades, from a leading financial intermediary of Eastern India to a name to reckon with at the National and Global arena, to be very satisfying. But what makes it more satisfying is that we achieved this without compromising – rather, by further reinforcing our ethical standards and strong belief that no business entity can grow over the years unless the interests of all of its stakeholders – employees, customers, shareholders, regulators and the society at large – are rightly balanced in the system.

Today, we have managed to develop the best of the products, systems, processes, technology and, more so, we have the best of the people working with us. But, what differentiates us from others is the 100 years of combined national and global experience of our promoters, our relentless pursuit of generating 'superior and consistent risk adjusted returns' for our investors. All this is achieved with the use of innovative, disciplined, client focused and process-driven multi-asset, multi-strategy framework.



At Narnolia, we have created one of the best data-driven buy-side research team in the country, with capabilities spread across asset classes and investment strategies. We use our extensive in-house data framework & infrastructure built over the past decade for both domestic and international securities to support our research processes. Our proprietary analytical engine, with intelligent strategy development and testing capabilities, provide quantitative and as well as qualitative support in selecting appropriate investment Strategies. Not only we do focus on returns, we also focus on quality of returns. Our objective is to maximize returns per unit of risk for the investor.

India 5 T – Large Cap strategy

Portfolio Characteristics		
	India 5T (Large Cap)	Benchmark#
Number of Holdings	19	100
ROE	18.3	
Beta	0.97	
R - Square	82.3	
Sharpe	0.8	0.6
Standard Deviation	18.2	17.0
Maximum Drawdown	-35.3	-38.1
# Nifty 100		
**Calculated on adjusted FY21 basis		

Portfolio Performance			
All returns are CAGR% as on 31st October'20			
	India 5T (Large Cap)	Benchmark*	Alpha
5 Year	10.3	7.52	2.79
4 Year	8.8	7.19	1.61
3 Year	4.2	3.04	1.19
2 Year	7.7	5.26	2.45
1 Year	0.4	-2.40	2.83

India5T is one of our flag ship product under Portfolio Management Scheme.

Narnolia's India 5T is meant to be a core buy and hold portfolio for investors who aim to capitalize on the wealth creation opportunity in the Indian economy through equity investing. It provides the opportunity to participate in 4 different Equity Strategies - all through a single account, helping the investor to prudently allocate investment amounts in these strategies depending on their unique risk profile. With this the investor gets the freedom to choose their preferred basket of stocks.

These equity-strategies are uniquely modelled around various cap and fundamental characteristics of growth and quality. The portfolio comprises of flexible and judicious mix of large, mid and small cap companies to have the right kind of stability to sail through tough times as well as has the right force to outperform in the long term

The disciplined approach to investing is supported by our 360 degree 5-M research framework, one of the most comprehensive fundamental research techniques. It links market opportunity, management strategies, financial and operating moat to detailed financial models and the valuation envelope.

For replicating its success over the long term, the strategy employs elaborate research and investment processes along with explicitly defined risk parameters.

India 5 T – Mid & Small cap strategy

Portfolio Characteristics		
	India 5T (Mid & Small Cap)	Benchmark#
Number of Holdings	25	400
ROE	19.20%	
Beta	0.81	
R - Square	85.8	
Sharpe	0.9	0.3
Standard Deviation	20.2	23.0
Maximum Drawdown	-33.3	-50.0
# Nifty Mid & small 400		
**Calculated on adjusted FY21 basis		

Portfolio Performance			
All returns are CAGR% as on 31st October'20			
	India 5T (Large Cap)	Benchmark*	Alpha
5 Year	16.3	6.4	9.99
4 Year	13.4	3.1	10.32
3 Year	10.7	-3.9	14.59
2 Year	22.6	2.2	20.41
1 Year	24.7	4.5	20.18

India 5 T – Multi cap Strategy

Portfolio Characteristics		
	India 5T (Multi Cap)	Benchmark#
Number of Holdings	21	501
ROE	18.48%	
Beta	0.94	
R - Square	83.9	
Sharpe	1.0	0.6
Standard Deviation	18.1	17.6
Maximum Drawdown	-34.3	-38.3
# Nifty 500		
**Calculated on adjusted FY21 basis		

Portfolio Performance			
**Calculated on adjusted FY21 basis			
	India 5T (Multi Cap)	Benchmark*	Alpha
5 Year	11.2	7.3	3.93
4 Year	10.8	6.3	4.49
3 Year	7.6	1.5	6.02
2 Year	11.9	4.6	7.30
1 Year	13.0	-1.1	14.14

India 5 T – New India Startegy

Portfolio Characteristics		
	India 5T (New India)	Benchmark#
Number of Holdings	19	501
ROE	19.60%	
Beta	0.91	
R - Square	86.5	
Sharpe	0.8	0.3
Standard Deviation	18.1	18.5
Maximum Drawdown	-36.4	-38.3
# Nifty 500		
**Calculated on adjusted FY21 basis		

Portfolio Performance			
All returns are CAGR% as on 31st October'20			
	India 5T (New India)	Benchmark*	Alpha
5 Year	13.3	7.3	6.09
4 Year	12.0	6.3	5.70
3 Year	7.5	1.5	5.98
2 Year	11.1	4.6	6.46
1 Year	4.0	-1.1	5.10

In conversation with **Prashant Khemka, CFA** Founder of **White Oak Capital Management**

Can you tell us about your investing journey?

At a personal level I was quite fortunate to have discovered investing at a young age of 13, since our family savings were always in equities. It was 1985 when the Indian equity markets rallied by 100% following the election of Rajiv Gandhi as the Prime Minister of the country. I was fascinated, hooked and never looked back.

My professional investing career started with State Street Global Advisors in Boston in 1998. Within couple of years, at the peak of the dot-com bubble, I joined the US Growth Equity team of Goldman Sachs Asset Management (GSAM) in Tampa, Florida. It was a high performing team where I learnt a lot about investing and team building under the leadership and mentorship of Herbert Ehlers, the original founder of Liberty Asset Management which got acquired by GSAM.

I returned to India in 2006 to launch the GS India Strategy which I managed as CIO and Lead PM for over ten years till I left GSAM in 2017. During this time, I also moved to Singapore in 2013 to assume the role of CIO and Lead PM of Global Emerging Markets (GEM) Equity which I managed for nearly four years alongside the GS India Strategy.

It was a great learning experience to have built the GS India business from scratch and to have turned around the GS GEM business successfully which entailed various aspects of building the team, establishing the philosophy, laying a disciplined process and managing a balanced portfolio to deliver consistent performance. When I left, both these strategies were amongst the top rankings compared to their peer group, and the team there has continued to do well since then.

Over the last three years at White Oak I have brought to bear years of experience to build and nurture a powerful investment culture. It has again been a wonderful experience with unique insights that come from building and running an independent investment business.

When did you know you will start your own Firm one day, could you tell us about setting up White Oak Capital Management?

Starting my own firm was a childhood aspiration encouraged by my parents, much more so than my cricketing dreams. Reflecting back, I think it took quite a lot longer than I would have anticipated.

After spending nearly two decades in the corporate world, I founded White Oak Capital Management in June 2017 with the objective of building a performance centric organization with a strong investment culture. My most important accomplishment here has been to bring together a top-notch team that is driven to accomplish this objective based on a sound stock-selection based philosophy and a balanced portfolio construction approach. The biggest asset that the team has created for the firm has been the extraordinary performance since the inception of the strategy a little over three years ago. Our top-ranking performance has come on the back of our strong and focused investment culture, which I believe is a prerequisite to generate and sustain consistent performance.

All along we have been tremendously fortunate to receive support and encouragement from a large number of wellwishers who have rooted for our success from day one. It has been a humbling experience. I came to realize what my early mentor Herb meant when he used to say, "what goes around comes around", and the importance of building bridges and cultivating goodwill during your life.

We have been very fortunate to have earned the confidence of our Clients who have entrusted their capital to our team. Currently we manage or advise over US$ 2.5 billion of India dedicated capital for global institutional investors such as sovereign wealth funds, pension plans, endowments as well as individuals and family offices around the world.

What sustains your drive within the industry? What's your biggest challenge as the Founder of White Oak Capital Management?

Investing is like a highly competitive sport. You have to always be on your toes and keep learning and evolving your investment philosophy and process to maintain and sharpen the competitive edge. But the beauty of this sport is that your peak form is always ahead of you as long as you continue to play the game with tenacity.

Our highly seasoned team at White Oak is passionate about this sport and has chosen it as a lifetime pursuit. The biggest challenge is always to keep complacency away and ensure that we are giving it the best of our abilities and efforts at all times, leaving no stone unturned as we strive to deliver the highest returns for our clients.

What has been the most extraordinary thing you have seen in markets? Were the market scenarios/volatility caused by the health crisis shocking to you?

As an investor I have experienced several market shocks including the scam that led to the post-liberalization boom and bust in Indian equities during early '90s, the dotcom collapse, the global financial crisis, and now the Covid shock.

In part due its recency, the Covid crisis is the most extraordinary of all even if it might turn out to be relatively short lived compared to the other crises, from an equities perspective. But I think it is primarily so due to the nature of the crisis being very different, in that it has to do with the health and lives of people unlike the other crises which were rooted in the excesses of the financial markets of one sort or the other. In the early days of this crisis, the almost complete lack of information and understanding about the contagiousness and mortality of the virus unnerved the markets into a precipitous fall of a kind never witnessed before.

It is the first time during our lifetimes that we have been so worried about our personal well-being and that of people around us. While the other crises were threats to everyone's financial well-being, this one is the most extraordinary because of the threat it poses to everyone's personal well-being.

What key principles drive your investment philosophy and processes?

We have a simple yet powerful investment philosophy that outsized returns are earned over time by investing in great businesses at attractive values. It is a stock selection-based approach of investing in businesses rather than betting on macro. We want to invest in the companies that present the most compelling combinations of two elements – business and value. To be considered great, a business should possess the attributes of superior returns on incremental capital, scalable and, well managed in terms of execution and governance.

These attributes are borne out of the fundamental value equation where value of any business is the present value of future cash flows. Superior return on incremental capital compared to the cost of capital is a pre-requisite to sustainable cash flow generation. Scalability is about growing the business and cash flows manifold over time compared to its present size relative to the industry or the corporate world in general. When you have such potential for free cash flows and growth you need the right management that can execute with a long-term value creation focus.

Last but not the least, or rather I should say first and foremost, the governance DNA of a company is crucial and usually the starting point of our analysis. In the absence of adequate governance, a business may be great but only for the controlling shareholders and not for us minority investors as value gets siphoned for the benefit of the former. The best way to make money from such companies is by avoiding them. The team's focus on governance and its success in avoiding poorly governed companies has been a major contributor to its peer group leading performance since inception.

When you find companies that possess these attributes in good measure, it is essential to have a logical framework to value them and the discipline to buy and hold at prices that present substantial discount to fair value. I must emphasize that the team is very valuation sensitive in its decision making. However, we have deep rooted disregard for conventional multiples such as price-to-earnings or EV-to-EBITDA because such metrics can often be very distorted, misleading and hence harmful to use for investment decisions. What we instead focus on is discounted free cash flow value and cash flow multiples – both as derived from our unique OpcoFinco™ framework. Without going into the details of the framework, I can say that it is designed to assess the value of any company as comprising of two components: the value of invested capital, and the value of excess return on invested capital. This provides an appleto- apple comparison of valuation within and across sectors, rather than metrics such as PE multiples which often lead to apple-to-orange or even apple-to-lemon comparisons.

Which sectors or segments do you find more attractive and think will perform best in 2021 considering the current market situation? How is the portfolio positioned?

The sector weights in our portfolio are an outcome of bottom up stock-specific opportunities rather than any top down preferences for any sectors. The allocation to individual sectors can be thought of as an outcome of a Venn diagram comprising of two overlapping circles – one representing our investment philosophy and the other representing the opportunity set within a sector.

Generally speaking, sectors with a large number of companies with heterogeneous business models across the market cap spectrum may provide greater number of compelling opportunities that are aligned with our philosophy. In India, sectors like consumer, financials, healthcare and technology are amongst those that possess such characteristics and hence are well represented in the portfolio at most times.

On the other hand, the portfolio hardly has any investments in sectors such as commodities and utilities as they tend to be dominated by government owned companies with their own set of governance concerns that are common to such companies everywhere in the world.

Furthermore, ours is a multicap portfolio with investments across the market cap segments, including several midcaps

which is a highly fertile segment for alpha generation due to greater inefficiencies in this part of the market.

Regardless of sector or market cap, our portfolio companies tend to be leaders or dominant players in their respective industry segments that are gaining market share on the back of superior management execution. In doing so they are typically growing faster than the industry as well as generating superior returns on capital while maintaining high levels of corporate governance. The team buys these companies and holds them as long as they present a substantial upside to fair value, as determined by the framework we discussed earlier.

What would you say is the most attractive aspect of investing in India?

The opportunity to generate sizeable alpha has always been and continues to remain the most attractive aspect of the investment case for India. There is considerable evidence published on this over the years and a recent study published by Wall Street Journal ranked India as the most attractive destination for alpha generation compared to developed as well as developing markets.

India comes out on top as the place where active managers have most successfully outperformed their passive benchmarks after fees over the last five- and ten-year time periods with strong persistency of such outperformance.

What are you telling clients about the current economic climate?

The equity market represents the present value of estimated future cash flows into perpetuity. In doing so the market is always looking at and reflecting on what lies well beyond the horizon. It may be wrong sometimes, but nonetheless in our view, it provides the best estimate of what lies in the future compared to any individual or a collective set of macro experts.

If one were to make investment decisions based on the current economic climate, it would indeed be very short sighted or even backward looking. I do not recollect any crisis where the markets waited for the economic climate to turn rosy for them to start their rally. It is invariably the case that the markets have a strong rally before there is any sign of recovery from the prevalent, seemingly abysmal, crisis situations.

You only have to reflect back on the global financial crisis where global markets started bouncing back sharply from March 2009 in the midst of utter chaos in the real economy. Most market gurus, economists and media anchors were scratching their heads and calling the market ahead of itself and out of sync with reality. Some of these experts predicted that the US, which was the epicentre of the crisis, would become like Japan and see no economic growth for decades to come. Yet other gurus claimed that the long-term value of the US dollar was zero. But as we all know, since then the U.S. has been the best economy, the best equity market and the best currency.

Just as every market guru got it wrong in 2009, and nobody saw it coming as clearly as the markets did, the same might prove true today as well. Closing on that happy note, perhaps the market is right again this time and the global economy might indeed shape up to be in good form beyond the horizon.

INSIDE THE MIND OF THE INDIAN MONOPOLIST

All happy companies are different: each one earns a monopoly by solving a unique problem. All failed companies are the same: they failed to escape competition– Peter Thiel in 'Zero to One ', (2014)

Exhibit 1: Indian monopolist' business framework

ATTACK A CHALLENGING ASPECT OF THE SECTOR

↓

DO NOT ADDRESS THE CHALLENGE IN A SIMPLE STRAIGHT FORWARD MANNER, WHICH IS REPLICABLE

↓

INTENSIFY THE CHALLENGING BY ADDING EXTRA LAYERS OF DIFFICULTIES AROUND IT

↓

COME OUT WITH A SOLUTION TO THE CHALLENGE WHICH COMPETITORS CANNOT REPLICATE EASILY

↓

KEEP EVOLVING THE CHALLENGE AND THE SOLUTION OVER TIME TO MAKE IT DIFFICULT FOR COMPETITION TO CATCH-UP WITH THE MONOPOLIST

Source: Marcellus Investment Managers

Peter Thiel in his bestselling book, Zero to One (2014) suggests that sustainable monopolies can think beyond protecting margins and have the flexibility to care about employees, invest in innovation and build sustainable moats. In contrast, competitive businesses in low margin sectors will pay their workers minimum wages and try to cut corners, sometimes even at the cost of the customer experience. A sustainable monopoly is good not only for its shareholders and its management but also for its employees, customers and business partners.

In India, there exist several monopolies in other large traditional industries as well. The most common framework adopted by Indian monopolists for creating and sustaining a monopoly franchise is given in the flowchart shown in Exhibit 1.

Equity investors in India seeking the arbitrage of low-risk and high rate of wealth compounding, should looks for dominant companies where this culture of innovation and building new competitive advantages is ingrained in every layer of management because that is what will help them sustain their dominance over long time periods.

Here are a few examples of how dominant franchises in India have implemented this framework:

- **The challenge of B2C distribution:** In a vast country like India, establishing a distribution network is a challenge because of poor transport infrastructure, and diverse / non-uniform demand across geographies, socio-economic strata of households. The simple way to address this challenge is by offering incentives to third party distributors, wholesalers, stockists, etc for executing the hub and spoke distribution. Instead, firms like Asian Paints took the more difficult route to resolve this challenge. Asian Paints removed all layers of channel partners and reached out directly to paint dealers on the high street, while also compressing their channel margins. The incentive offered to these dealers was supply chain efficiencies of (3-4 deliveries per day) which helps these dealers generate a healthy return on their capital employed. This capability was built using tech investments to forecast demand with greater accuracy compared to their competitors.

- **The challenge of retail lending:** As a product, bank deposits are largely commoditised. Similarly, building a high quality loan book by selecting borrowers based on their credit scores from a credit rating agency (like CIBIL) is commoditised and can be done by every lender in the industry. However, yields / margins available on such a loan book are wafer thin and hence don't help build a high ROE franchise. One of the simpler solutions to these challenges is to raise funds from the money market (at high rates) and lend to high-risk large corporates at high interest rates. Instead, HDFC bank chose the difficult path – it built the liabilities side of the balance sheet through low-cost CASA (current accounts, savings accounts) and lent largely to high quality retail borrowers at low rates. Similarly, Bajaj Finance solved the asset side problem of a retail lender by leveraging technology to develop credit algorithms to capture data points which are not captured in credit scores generated by a credit rating agency and built a huge data-based lending engine to identify the credit worthiness of retail borrowers.

- **The challenge of executing brick and mortar retail:** Establishing a wide organized retail network is challenging because of some inherent factors like expensive real estate when optimisation of store economics is a challenge given: a) a long and difficult learning curve around optimal store size, location, merchandise layout, etc; b) intense competition from widespread unorganized retail; and c) high attrition in store-level staff which delivers a poor customer interface. In an industry like diagnostic labs, the simple way to build a pan-India business whilst overcoming these challenges is to setup a B2B type of retail network where samples are procured from hospitals or third party labs / collection centres, and reports are white labelled and delivered. Dr. Lal Pathlabs,instead, overcame this challenge in a difficult and slow manner, through significant tech investments and a very gradual geographical expansion of its collection centres and labs. This has helped the firm optimise store economics and build a highly cash generative business model (unlike most retail businesses which tend to be cash guzzlers).

It is easy to understand why monopolies are great for their shareholders – high free cash generation (i.e. ROCEs well above cost of capital) and consistent growth in earnings over the longer term tend to result in consistent wealth compounding for shareholders. The high cash generation of monopolies enables them to innovate, strengthen and evolve their competitive advantages. However, spotting the existence of such monopolies is not easy. As Peter Thiel says in his book 'Zero to One', "Anyone that has a monopoly will pretend that they're in incredible competition.... If the monopolists pretend not to have monopolies & the non-monopolists pretend to have monopolies, the apparent difference is very small". The presence of a business framework along the lines of what is shown in the exhibit above is one of the tools that investors can use to spot the existence of high barriers to entry created by a monopolist around his business. Equity investors in India seeking the arbitrage of low-risk and high rate of wealth compounding, should looks for dominant companies where this culture of innovation and building new competitive advantages is ingrained in every layer of management because that is what will help them sustain their dominance over long time periods.

DISCLOSURE

Asian Paints, HDFC Bank, Bajaj Finance and Dr. Lal Pathlabs are a part of most of Marcellus' portfolios.

Authors

Rakshit Ranjan and Deven Kulkarni are part of Marcellus' Investment Management team.

THE NEW NORMAL

OF ALTERNATIVE INVESTMENTS

Alternative investments such as PMS and AIF are finally coming of age. With regulation becoming better and ease of doing business friendlier, not to mention the wider access, 'alternatives' are a strong investment option for wealthy investors more so today. We at PMS Bazaar believe the next decade will belong to alternative investments, as they become the central piece and thrive in the 'new normal' era. The pie will become bigger!

We reached out to a bevy of experts of the multi-billion dollar 'alternatives' industry in India to share their mission, vision, and outlook on the topic. In this special Cover Story. You will find incisive and insightful opinion from thought leaders hand-delivered. **Read on...**

SUSHANT BHANSALI
Chief Executive Officer
Ambit Asset Management

Beyond the ordinary investments in extraordinary times

In a world of declining yields and real interest rates, when traditional investment instruments which were delivering good returns and Alpha until now underperform, investors are left with no option but to look at alternative investments. This coupled with increased investor education and awareness and better regulations have given a nudge to alternatives.While alternative investments can be made through different vehicles, some of the most common Investments in India includePrivate Equity (PE),Real estate, Gold, PMS and AIF.

While the performance of Private Equity players in India has varied hugely from player-to-player,this form of investing has remained inaccessible to the general public at large and so it may not merit a discussion here as a viable alternative. Real estate and Goldon the other hand have done well at different points in time and are accessible to all so far but these asset classessuffer from inconsistency in delivering return because of their cyclical nature and unfriendly practices like cheating (for Gold), delays in possession, long investment cycles and illiquidity (for Real estate). Having said that, both these segments have seen better regulations which have the potential to help address some of the problems faced by Investors.

When it comes to equity market participation, Mutual Funds so far have been the most popular and most common form of instrument. As a result, the industry today boasts Rs28Lac Cr AUM. However, Mutual Fund performance quite often, especially in the recent past, has been lagging the benchmark. It has been unable to deliver alpha consistently, which has prompted investors to look for alternative avenues like Portfolio Management Services (PMS) and Alternative Investment Funds (AIFs). PMS have been around for quite some time now and are our preferred alternative investment route and to that effect we shall list out some of the changes we are foreseeing in this space with some detail. While Portfolio Management Schemes have not been able to scale up in terms of AUM due to several structural challenges, a lot of regulatory changes have been introduced to ensure better regulation as compared to other asset management categories.

Changing Regulatory Landscape

The Real Estate sector has been a key investment avenue for Indian households and HNI's and has undergone regulatory change with the introduction of Real Estate RERA - Real Estate (Regulation and Development) Act in 2016 which proved vital in safeguarding investor interest. It has improved the on-ground situation by bringing higher developer accountability and transparency while addressing buyer disputes in a quicker way. Needless to say, properly regulated real estate will also give a push to indirect investment via REITs.Also, the regulator SEBI is giving a push to these sectors by easing the fund raising norms. It recently reduced the mandated time gap for equity raise via institutional placement from six months to two weeks.

Similarly, investments in Gold have been transformed with the introduction of Sovereign Gold Bonds in November 2015 – where one earns a fixed return of 2.5% on their Gold holding in addition to the benefit of price appreciation .On the other hand,Exchange Traded Funds or ETFs and introduction of derivative instruments like Gold Mini and Gold Options by commodity exchanges are designedfor higher risk-taking appetite investors.

Alternative Investment Funds were positioned as a solution for providing specialized investment strategies to ultra-high net-worth investors. The first set of such AIFs provided long-short strategies which were followed by many long only equity strategies. The recent tax amendments and close ended structure has limited the growth of this category.

PMS products have been around for quite some time now but the challenges that stood in the way included: (1) Theywere not as tightly regulated as, say Mutual Funds, which enabled the fund managers to follow laissez-faire orliberal fund management and marketing practices. (2)No uniform reporting made it difficult to compare multiple schemes by different portfolio managers and (3) Uncapped expenses led to customers being over-charged in some instances while upfront fees made it easier to temporarily prop-up AUMs.

In the last couple of years, SEBI has come-out with a number of regulations with an intention to bring a unified structure to the industry with some basic rules and guidelines and safeguard investor interest. Some of the major ones included –

- Raising minimum investment from Rs25Lac to Rs50Lac.First such increase in last 8 years, during which,the markets have gone up 135% while the overall purchasing power of individuals has also increased.
- Moving to trail based commissions with no upfront fees.A cap on total operating expenses and exit load was also introduced. Also, customers also are now informed of the commission which their distributor will earn, giving them more clarity.
- Direct on-boarding of clients (without intermediates) akin to direct Mutual funds which will enable clients to save on charges.
- Uniformity in reporting performance. Various regulations were introduced which were aimed at bringing uniformity in reporting performance on website, marketing materials and to SEBI. Performance now needs to be reported on Time Weighted (TWRR) basis. This will make comparison of funds within categories much easier.
- Enhanced Disclosuresand cap on manager group entity transactions.Enhanced disclosure

norms to increase transparency about the investment strategy and cap on group company services will provide competitive cost to clients while avoiding conflict of interest.

Why we see 'alternatives industry' getting substantially bigger by 2030

Money will chase alternatives for higher return over traditional bonds and equity instruments or Mutual fund investments.

At present, the total AUM of Mutual Funds industry in India is ~Rs28Lac Cr. compared to this, the total Assets managed under Discretionary PMS products(ex EPFO/PFs), is ~Rs1.5Lac Cr which implies ~5% of the overall Mutual Fund industry AUM.

What's working in favor of PMS as compared to other forms of equity investments be that direct stock investing or Mutual funds or AIF is the perils attached to each format. Direct equities had its limitations with research, know-know, and emotional tug of war during extremely volatile periods. Mutual funds pool their assets and hence any big exit during tough periods in the market impacts all investors. AIF or Alternate Investment funds don't allow investors to come out even if the funds are needed under an emergency.

As MF industry grapples with declining relative performance and diminishing alpha, investors look for other avenues which offer more curated portfolios with better flexibility and proven track record. PMS products enjoy various advantages over MFs – there is no exposure restriction to a particular company, sector or market cap categorization. The portfolios invest in concentrated manner compared to average 50+ stocks for MFs, providing better, active direct equity exposure. With PMS as a vehicle, one gets a segregated account and thus is the master of her destiny and captain of her own ship. Even during tough times, some investors choose to exit, the ones who remain put or invested don't get impacted as losses are not essentially booked and remain notional. One gets the best of all the worlds - great advice, great holdings segregated account, and exit in case of emergency. These benefits, coupled with increased investor awareness, better alpha-generation would lead to increased growth inPMS AUMs in the next decade.

In addition to this, the overall pie of the industry will grow as more funds flow into the formal system – instead of investing in physical Gold, where storage and safety is a big concern, people will look to invest in instruments like SGBs which are backed by the government. As per latest RBI Annual Report, a total of Rs9,653Cr (31tonnes) had been raised through the SGB schemes since its inception in November 2015.

In a falling interest rate scenario, the darling of Indian households – Fixed Deposits – which used to return 8-10% earlier, will probably lose its sheen. As real interest rates drop further, people will move to alternatives in search for alpha generation. This will be a key lever for growth in the next 10 years.

With the recent simplification, austerity, and transparency, most family offices andHNWIs will prefer PMS as the preferred equity vehicle. Thus from the current count of ~1.5 lac clients which PMS has today, one wouldn't be surprised if AUM grow 5X in 10 years and clients grow 3 X in 10 years in numbers.

What daily nutrition & exercise is to the body, what earnings are to a market capitalization of a business, transparency is to the PMS industry. Nutrition & exercise aids longer & happy life, a jump in earnings leads to growth in the market capitalization, similarly increased transparency will lead to gigantic growth in PMS Industry in times to come.

E A SUNDARAM
Executive Director & CIO – Equities
O3 Capital

Any industry evolves with time, and changes as the requirements that surround the industry change. The same is true for the alternative investments industry.

It is easy to come to the conclusion that the alternative investments industry in India is now at a stage where the mutual fund industry was in the 2000s. Growing acceptance, growing asset sizes, and therefore the need for growing levels of regulation. In this connection, the recent regulations regarding the rationalization of the fee structures, and also the standardization of the method of calculation of returns are very welcome developments indeed. These will go a long way in bringing the much-needed level playing field in the industry.

The name itself suggests the two most important things about this industry that should not be forgotten. This industry should act as

(a) an **ALTERNATIVE** to the mainstream investment products, i.e., the client should get a portfolio and an approach to investment that is not generally available to an investor in the mainstream product like a mutual fund. The primary reason why any client chooses an alternative investment product is that he/she seeks a qualitative diversification. If this industry also provides a replica of the portfolio that a mainstream investment product like a mutual fund provides, that primary purpose is not fulfilled.

(b) The first principles of **INVESTMENTS** should not be forgotten at the altar of competitive pressures. All said and done, the asset management industry (whether mainstream or alternative investments) is the custodian of someone else's money, and as such, there is a sacred responsibility to handle it carefully. Speculative bets in the name of providing higher returns comes with its own set of risks.

In summary, the alternative investments industry would do well to learn the basic lessons from the mainstream investment industry – that sustainable long-term competitiveness comes not from trying to outwit everyone else, but by sticking to a logical investment process, while at the same time, finding a niche that adds value and diversification to the ultimate boss – the Investor.

NALIN MONIZ, CFA
Chief Investment Officer – Alternative Equity
Edelweiss Asset Management

Can the convergence of regulations be a catalyst for growth?

Both the PMS Regulations 2019 and the 2020 performance benchmarking requirements for AIFs are an effort by SEBI to bring regulatory best practices from the mutual fund industry to the alternatives arena, while still maintaining the flexibility, freedom and flair that these funds offer investors.

In the last 3 years, commitments to AIFs have grown at a 51.7% CAGR to reach 4.05 lakh crore. And in the same period, PMS AUM ex EPFO has grown at a 31.8% CAGR to reach 4.66 lakh crore. Such high growth on a large base, demonstrates that the demand for alternatives is broad based and secular in nature and the financialization of savings is truly afoot. But it also demonstrates that there is a need for sensible regulation and standardization to ensure client suitability, right selling and fair practices between advisors and AMCs.

The new PMS regulations will be a catalyst for the industry's growth. The introduction of investment approaches is a tacit acknowledgement that firms do offer standardized products. The removal of entry loads and upfront commissions aligns best practices from the mutual fund industry. An all-trail model without loads helps reduce the incentive for churn, opportunities misselling and the working capital burden on AMCs. We expect this to be rolled out to AIFs in the near future as well. Digital account opening and KYC is also a catalyst for growth and this has only accelerated after the COVID-19 pandemic. The reduction of paperwork required to sign a client agreement, register a power of attorney and open a demat account will dramatically improve the customer on boarding experience, speed up audits and improve the quality of anti-money laundering checks. Lastly, the increase in the minimum investment amount from 25 lakhs to 50 lakhs after a gap of 8 years is merely an inflation adjustment to keep up with the times. The move to increase the minimum investment amount from 5 lakhs to 50 lakhs did not stop the industry from growing at a CAGR of 22.7% over the next five years.

Similarly, the role out of scheme categorization for AIFs on Oct 1st, is the first step towards organizing the over 700 registered funds into sensible economic categories. This regulation will make it easier for advisors to compare funds with similar risk, return and liquidity profiles; creates public market equivalents for unlisted asset classes and puts net returns in the public domain for scrutiny. We encourage SEBI to publish similar scheme categorization and performance benchmarking for PMS portfolios as well. Auditable fund performance combined with the reach of aggregators such as PMS Bazaar will democratize access to information, increase investor reach and knowledge and hold managers accountable on performance. This transparency is the cornerstone of good governance and can drive AUMs five-fold in the next five years.

We are excited about the opportunity in both PMS and AIF. And the shrinking alpha of and tighter constraints on mutual funds makes alternative fund offerings even more compelling for investors. The recent SEBI regulations will only help accelerate the industry's growth.

SHAHZAD MADON
Head - PMS & Alternative Asset
Nippon India

The year 2012 ushered the dawn of the alternative investment industry in India. Thanks to SEBI, for laying down Regulations which are both investor and business friendly, and which have acted as a potent catalyst for the growth of the AIF industry. Since inception the industry has not only grown very rapidly, but also grown in terms of differentiated products as well as a wide investor and distributor base. This phenomenal growth of the industry can be gauged from the fact that the industry has grown to approximately Rs2 Lac Crs (in terms of Funds Raised) in just 8 years! This is significantly faster than the growth seen in the Mutual Fund and PMS industries in their incipient years.

Over the years, SEBI has not only come up with various purposeful amendments to the regulations to further strengthen and enhance transparency but have also worked tirelessly to implement global best practices for the industry. The recent changes i.e. be it the introduction of performance benchmarking, template for offer documents, mandatory annual audit of scheme documents or clarity on the role and duties of investment committee will only help in building a more transparent and vibrant AIF industry. All these changes will go a long way in boosting investors' confidence. Transparency and sound Regulations have been the bedrockfor growth of any portion of the Securities Market. We see the Regulatory environment as being conducive to the growth of the AIF industry. However, there are certain areas such as taxation (not a Regulatory area though), especially in the case of Category III, which offers ample scope for clarity and improvement.

Alternative Investments represent approximately US$ 13 trillion or 12% of the of the global investible market. By 2025, the same is expected to grow to 18% to 24% of the global investible market (Source: CAIA Association). Going forward, we see the Indian AIF industry growing significantly faster than the overall investment management space. With traditional investments pools like Mutual Funds increasingly getting strait jacketed and regimented and facing challenges in product innovations, investors seeking enhanced returns, alpha generation, diversification, differentiation, consistent and uncorrelated returns and a wider avenue of asset classes, will drive growth for the AIF industry. Lower interest rates will also help. We see an expansion in the range of asset classes and strategies offered, increasing experience of investment managers and fine tuning of their investment strategies over time, aswell as broadening of the investor base, all driving growth of the industry.

While public equities will continue to grow strongly, asset classes like private equity, venture capital, structured debt, real estate&infrastructure debt and equity, distress assets, etc., all of which are at their infancy in India, are likely to contribute more strongly going forward.

Today, the domestic HNI is the mainstay of the local alternative industry. This pool of investors shall continue to grow strongly overtime, due to the rapid increase of high-net-worth-individuals from emerging populations like India. Globally alternative assets account for a significant portion of the investment allocation of institutional investors. Institutional investors like pension / endowment funds, sovereign funds and insurance companies globally account for approximately 80% of the investment in alternative assets. This is as yet negligible in India. Over time, very gradually, we see an increasing participation from such local institutions in Alternative's, to diversify their huge pools of assets. This shall be just as investments from the EPFO in only 5 years have become a material portion of the flows into the Indian equity market.In addition, AIFs will increasingly see more participation from global institutional investors, who would choose to channelize some of their investments through AIFs.

According to Preqin, emerging markets will likely account for more than 50% of alternative assets growth by 2023. We believe that shall only increase going forward and see India as being in the forefront of this growth. By 2030, the Indian AIF industry would be quite clearly among the top alternative investment destinations among emerging economies and amongst the most attractive and rewarding destinations in the world. With wind in the sails of the industry on account of all the above factors, the AIF industry has the potential to grow 8x to 10x by 2030, viz. uptoUS $ 250 bn! All the above will lead to the imminent "Mainstreaming of the Alternative Investment Industry" in India by 2030.

The recent changes will only help in building a more transparent and vibrant AIF industry. All these changes will go a long way in boosting investors' confidence.

ANIRUDDHA SARKAR
Chief Investment Officer
Quest Investment Advisors

hI believe change is always for the good and year 2020 has seen some major changes in the PMS and AIF regulations and has made transparency and level playing field as the new normal for Indian Alternative investments industry. Indian Alternate investment industry was always seen as less transparent and less regulated but has been gradually coming at par with Mutual Fund industry on all aspects and SEBI has brought about a major overhaul in their regulations keeping in mind the investors. There were four major changes done in the PMS industry which would have far reaching impact:

- Minimum investment raised to INR 50 lakhs – This limit has been raised in order to ensure that small investors don't get mis-sold a PMS product which typically entails a more concentrated exposure to stocks and less of benchmark hugging approach and also could be having a more long-term approach in constructing the portfolio which might put a small investor's cash flows in jeopardy. We see this as the right step as it would attract serious money from the HNI community who are open to taking concentrated long-term exposures into companies for their wealth creation.

- Only trail income to be paid to intermediaries – This changed fees sharing with intermediaries is important to align with the interest of the clients as it has been brought at par with the mutual fund industry. Now performance and quality of a portfolio alone will become the sole differentiator for selecting a PMS product rather than upfront fees being an incentive for the intermediary. This will go a long way in increasing the confidence of the investor community in the PMS products and make it more transparent at par with MF products. Another aspect of it is that now quarterly client statements need to have the fees paid to intermediaries mentioned in the statement in order to increase transparency between asset manager and investor. I see these steps as increasing the trust and faith among the investor community for PMS providers who were many a times seen with suspicion as being too high on fees structure, though the fact remained that most PMS fees are at par with MF on fees structure. The flexibility of crafting a fee structure is the most untold truth of PMS investments.

- Direct option to be offered to PMS clients – On the lines of the Direct Code in Mutual fund industry, the PMS industry is also now required to offer direct onboarding of clients at lower fees structure. In the direct route, PMS providers could also offer profit share model which otherwise cannot be offered by the MF industry. This is again going to become a new normal practice. This will also encourage advisory services offered by SEBI registered advisors.

- Performance reporting standardised to TWRR method for aggregate portfolios – This has been very important change as now all PMS providers performance reporting would be at par and there would not be any scope of performance variation between actual performance of the clients and model portfolio performance which was typically followed by the industry for a long time. This will help investors to make an informed decision.

We see all the above changes as being a big boost for the PMS industry as it will increase trust and confidence among large HNI investors for the products and also bring them at par with mutual funds. Innovative product structuring along with investor friendly fees alignment will become the norm of the day on the PMS platform.

As for the regulatory changes for the AIF industry, we believe AIF platform is more suited for non-equity asset class now as the tax disadvantage of a CAT 3 AIF doesn't make it attractive to HNI investors. However, AIF would continue to grow for non-listed equity asset class as that is the most feasible platform to structure such products. With Indian economy attracting more and more money in the MSME space along with infrastructure projects, we see AIFs playing a leading role in the years to come in driving growth for this space. Also, Quasi Debt products structured around stressed assets and infrastructure projects, could become big driver for growth of the AIF industry for attracting serious institutional money in the space.

Indian Alternative investment space is preparing for exponential growth phase as more and more savings flows from other asset classes to financial assets which continues to deliver the best returns from a medium to long term perspective consistently.

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Value of **INR 1CR** Invested In March 2012 as on October 2020 ***(CAGR Returns)***

INDIA 5T PMS: MULTI-CAP STRATEGY	INR **4.2CR** @ **18.1%**	VS	NIFTY 500	INR **2.3CR** @ **10.3%**

Narnolia Outperforms
Not By Chance, But By Design

- Trusted Investment Advisory & Management Firm since 1997.
- Serving over 50 Broker Partners, Fund Houses & Institutional Investors & 3 lac Investors
- Strong team of 40 analysts
- Pioneer in Model Portfolio Advisory, running since 2009 with 18% CAGR vs 8% in Nifty.
- Outperforming all known diversified PMS schemes consistently since inception (March 2012) & Generating Positive Return over last 2 Years in the backdrop of sharp broader market correction.

About Narnolia PMS Strategy: India 5T

Investment Philosophy

India 5T is meant to be a core buy and hold portfolio for investors who aim to capitalize on the wealth creation opportunity in the Indian economy through equity investing by providing the opportunity to participate in 4 different Equity Strategies - all in a single PMS, helping the investor to prudently allocate investment amounts in these strategies depending on their unique risk profile.

The strategy strives for active alpha generation through investing in companies with rising relative growth and valuation. The portfolio comprises of flexible and judicious mix of large, mid and small cap companies to have the right kind of stability to sail through tough times as well as has the right force to outperform in the long term. For replicating its success over the long term, the strategy employs elaborate research and investment processes along with explicitly defined risk parameters.

Why India 5T?

- Invest in Multiple Strategies in a single PMS
- Stable Returns across various Market Cycles
- Growth in Value Philosophy & 5-M Research Framework
- Strong Risk Management

4 Pillars of Investment Framework

1 Principle Of Growth In Value

Among various proven philosophy of investing, our chosen style is 'Growth in Value'. Here the word value is derived from the word valuable i.e. factors that make a company more valuable

2 Seeking Linear Consistent Growth

Prefer companies where improvement happens linearly in small steps over a relatively longer period of time as these companies valuation multiple expands alongwith earnings and then does not contract in a hurry

3 360° Deductive Reasoning Framework

Insist on knowing why and how a company makes its revenue both from broad picture basis- understanding the addressable market and dynamics as well as microscopic financials- valuation level perspective

4 Risk Manager's Mindset

Portfolio has a pre-determined risk return expectation framework which enables taking active risk keeping in mind economic exposures, liquidity risk and stock- sector – cap- theme weightages.

We Are Recognised

When Industry Leaders validate and endorse superiority of our products and services, it speaks about the performance of our products and services.

Most Consistent Portfolio Manager of the Country 2018 & 2019 by BSE Tefla's

India's Most Promising Brand 2017 by WCRC

Inspirational Leader 2018 by WCRC, in London

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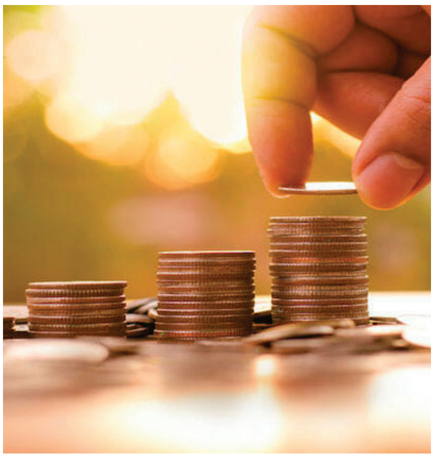
NISHIT SHAH
Fund Manager – PMS
PhillipCapital (India) Private Limited

Over last 30 years, the Indian stock markets have seen massive changes especially after opening up of the economy in 1991. As we entered 21st century we saw a global economic boom and Indian companies,mainly, IT companies participated during this growth period. After some consolidation, we saw multiyear bull run starting 2004-2007 and a severe drawdown in 2008, which brought lot of maturity amongst Investors. Ever since the Global financial crisis in 2008, our markets have become more informational efficient, investment universes have seen massive consolidation and investors have been more matured in tough times. Also, the largecompanies have become more dominant in their respective sectorsat the cost of unorganized sectors. Coming to current times, we feel it will be a period where companies which are lead by good managements, have less stress on balance sheets, have good growth prospects and at the same time can capitalize on technology, having scalability and R&D drivenwill perform well in terms of creating large value for the shareholder community.

As can be seen over the last 2 decades, the PMS industry has seen exponential growth as the equity culture in India has become much more sophisticated. Also, over the time, we have seen PMS have got good acceptances from investors owing to special attention being given to client folios, better handholding and more transparency. Portals such as PMS Bazaar have played a huge role in bringing about investor awareness towards alternatives and making information freely available to investors under one roof.

Passive/ETF investing is a hot topic in current times and in global markets it is gaining market share over active. However, on long term basis, we believe it is relatively suitable for the developed nations. It is an investment approach which has not yet proven beneficial in the Indian markets due to the polarization effect where only handful of companies/sectors manage to consistently outperform the market as a whole. Therefore, in India an active approach is required by the client to generate consistent alpha over longer time frames. PMS is that unique solution for those who are looking forward to tap the growth opportunities in the financial markets but do not have the time and specialized skills required for the same. PMS proposes to bring much needed discipline when it comes to investing.

At PhillipCapital PMS our endeavour is to always offer alternatives and differentiated strategies that add to clients portfolio. It is a well-established fact that diversification across asset classes plays a crucial role in maximizing gains and reducing drawdown'sand volatility for investors over entire investment journey. As we move towards the 'The



Passive/ETF investing is a hot topic in current times and in global markets it is gaining market share over active. However, on long term basis, we believe it is relatively suitable for the developed nations. In India an active approach is required by the client to generate consistent alpha over longer time frames. PMS is that unique solution for those who are looking forward to tap the growth opportunities in the financial markets.

New Normal of Alternative Investments', diversification of funds across multiple asset classes including gold, international equities, debt with a mixture of Indian exposure is going to get more popular. The Phillip Multi-Asset Portfoliois one of the first PMS strategies to offer a perfect blend of multiple asset classes and which also manages the volatility of Indian markets through our proprietary developed algorithms.

SEBI has brought up about sweeping regulatory changes in the alternates industry which will bring great benefits by formalization of the industry towards a higher level of sophistication. The increase in net worth and ticket size requirements brought about by the regulator as well as the transparency in reporting parameters are going to be greatly beneficial for investors as well as the growth of the industry.We believe, increased investor awareness, confidence and high levels of transparency are going to be some of the few key factors which will be giving a boost to the growth of the alternates industry as we move towards the 2030's.

PANKAJ MURARKA
Founder & CIO
Renaissance

The Indian Alternate Investment is an important pillar of the Asset Management Industry and is in its infancy. In fact, Mutual fund which was a relatively new product in the 1990's now have become mainstream today. While the Mutual Fund Industry has grown at a CAGR of 19% over the last 20 years, yet its penetration in India is a meagre 12% as compared to asset under management being at 120% of GDP in US; Yet the industry has achieved some critical mass in India.

I firmly believe that the Alternate Investment is at the same inflection as the Mutual Fund industry was in early part of the 2000 decade. As investors mature in their investment lifecycle journey, Alternate Investment will become central in their asset allocation and will become core part of the portfolio.

Unlike mutual fund plans, the Alternate Investment Strategies can be unconstrained and gives an exceptional flexibility to tailor an investment plan according to investors risk appetite, income profile and returns expectations. Given the increasing complexity and heightened volatility in the financial markets, Alternate Investment Platforms can be used to create innovative and hybrid solution for clients with appropriate risk mitigation strategies.

Also, the Alternate Investment Fund have commitment of capital from the investment manager to ensure there is skin in the game. In addition to this, the fess payable to the investment manager can be linked to performance so as to ensure there is complete alignment of interest.

The disclosure levels and client participation in the Alternate Investment Vehicles are far superior. In addition to this, the transparency quotient in the Portfolio Management Services are significantly higher as the client can look through all investment decision.

No wonder, given the inherent benefits of Alternate Investment, these Platforms have been growing at rate much faster than the traditional mutual funds globally and have reached an AUM of $10 trillion. The Alternates have actually become mainstream and are part of the core asset allocation of the clients. I surmise the future of Alternate Investment will be no different in India and the industry will become mainstream over the next decade.

Given the rising scale and growing popularity of the Alternate Investment, the regulator has made positive regulatory changes like increasing qualifying net worth threshold, making it mandatory to report performance on TWRR basis, making full time compliance officer mandatory and many others so as to bring in more transparency in the operations and reporting of the Alternate Investment Platforms. This will lead to standardization of reporting and enhance the compliance and performance standards for the industry, thereby increasing investor confidence and give new thrust to growth in the medium to long term.

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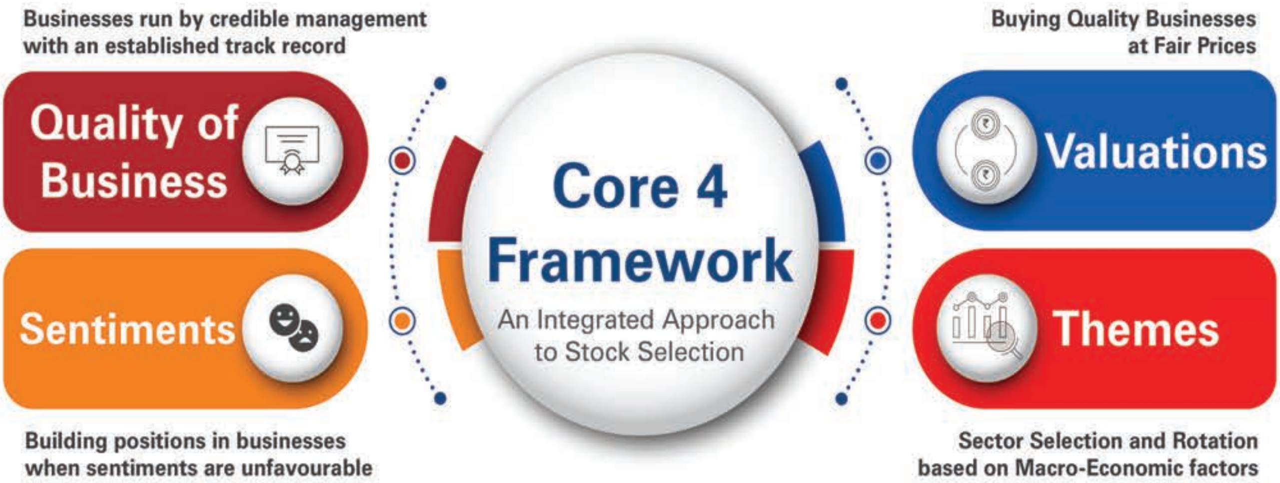
I firmly believe that the Alternate Investment is at an inflexion point. The mutual fund industry has experienced exponential growth over the last two decades and still continues to be a high growth industry. The Alternate Investment should witness similar explosive growth over the next decade and become Mainstream.



The aforesaid factors/framework are only indicative. There may be other factors that may be relevant for identification/selection of stocks.

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HIMANSHU UPADHYAY
PMS Portfolio Manager
PGIM India PMS

World over the regulators are modifying and improvising the regulations with a view to align the financial offerings to the client interest. The approach seems to be that the retail investors lack expertise and experience to deal with complex financial products and are vulnerable to mis selling. Regulators are creating tighter framework for simpler products like MFs, ETFs to eliminate systemic risks. Market competition with the regulatory nudge is also bringing down the cost of such simpler products. Larger investors are believed to have acumen for analysing and choosing right set of products from the complex offerings. Many countries classify this set of investors as "accredited investors".

To be accredited investors there are qualifying criteria in terms of annual income, net worth and professional qualification. Only accredited investors are allowed to invest in alternate products where the risk is high. In our country SEBI has adopted slightly different approach to create an equivalent of accredited investors. SEBI by raising the minimum investment in PMS to Rs. 50 lacs and maintaining Rs. 1 cr for AIF, has ensured that retail investors are effectively not exposed to products that are complex by design as compared to MF. One can safely assume that the investor opting for a product with min of Rs.1 cr will have a portfolio of atleast Rs. 7 to 8cr. With the investible surplus of approximately 1 mln USD, the investor would be at par with definition of accredited investor in most of the countries around the world.

Like in all other products, SEBI is pushing for higher transparency, standardisation of methodologies for charging fees and return computation. For the larger service providers the regulations also bring in elements of risk management at the institutional level to manage systemic risks. All these measures are building blocks for much larger and robust industry for the alternate offerings. The transparency will bring in more accountability and put pressure on fees of the service providers, distributors and advisors.

The alternates will have stiff competition from regular MFs, low cost ETFs and index funds. The favorable tax treatment also adds to the charm of regular offerings vs the alternates. So the big question is why will investors look at alternate products for investments? In my opinion investors will chose alternates only if the alternate product offers a diversification of theme, style or portfolio construct. Most importantly the filtering criteria for majority of the investors will be whether or not the strategy of the alternate product can be replicated on the MF platform. If the strategy is replicable on MF platforms, then the alternate offering may not find many takers. This has huge implications for investment side as well. To pass through this criteria service providers will have to demonstrate the uniqueness of strategy, style or the portfolio to the clients. So the first step in the natural

One can safely assume that the investor opting for an alternative product with min of Rs.1 cr will have a portfolio of at least Rs. 7 to 8cr.

progression will be that the stock picking ability of the institution will be considered as an asset creating strategies more focused on undiscovered niche parts of the market. The other area will be products offering exposures to instruments and strategies that are out of bounds for MFs due to regulatory constraints. Even on the listed space some niche strategies that are difficult to run on MF platform will also find favor with the large investors going ahead. The enhanced transparency and platforms like Finalyca will help the investors measure the extent of diversification they are able to achieve through various products in the alternate space. This will lead to investor acceptance and the appreciation style differentiation and demand for products that complement each other in true sense.

What we have observed over the years is that MFs are index aware largely due to the nature of the industry. Alternate offerings essentially will have to be portfolios with high active share. The portfolios with high active share do not necessarily behave in tandem with the market. How investors react to this aspect of the differentiated offerings remains to be seen. Opportunity is huge and will keep growing as affluence in the economy rises. More and more investors will graduate from fast growing mass affluent to HNI segment. Growth in financial status is normally accompanied with search for exclusivity and higher risk taking abilities. And alternates definitely have a big role to play. All that the manufacturer needs is to clearly define the raison d'être.

RAJESH PHERWANI
Founder & Portfolio Manager
Valcreate Investment Managers LLP

Portfolio Management Services has emerged as a strong alternative investment. Positive regulatory measures as well as increasing professionalism could lead to healthy evolution of the industry in the current decade.

The Portfolio Management industry in India has come a long way in terms of regulations, size, and participation of investors.Some of the new regulations by SEBI in 2020 have paved the way for more professional approach towards portfolio management. This could also lead to existing firms raising their game as well as weeding out of non-serious players altogether. The TWRR performance reporting is a globally accepted method and is the right step in terms of giving the correct picture to the investors as well as honest and fair comparisons between portfolio managers. Stringent qualifications and experience of key employees could bring in more deserving and experienced as well astalented people into the industry. Increase in net worth to 5cr.is a good step to deter non-serious players. For a new portfolio management firm, it would keep enough capital on the side to prepare for any exigencies/risks as well as bring in much more commitment from existing firm as the transition takes place. Minimum Rs.50 lakhs per investor is positive from the viewpoint of bringing in serious funds/investors under PMS as well as lead to faster growth of industry. Need of a custodian irrespective of AUM has brought in much needed security from settlement and accountability view point. Doing away with upfront fees as well as capping of operational costs chargeable to the end client, limiting of exit loads, capping of business for associate brokers/custodians, certification for distributorsare other welcome steps.

As an alternative to mutual funds as well as other investments, there are many benefits that Portfolio Management Servicesbring to the table. The ability to create customised portfolios for clients is a unique feature unavailable to pooled vehicles. Since there is a scope for creating and managing each investor portfoliobased on investor's profile, the fund manager gets adequate objectivity and flexibility. As a founder of my own PMS firm, I can vouch for the fact that much of my performance achieved for investors at Valcreate is because of the freedom to think differently due to the flexibility that this model offers to portfolio managers i.e. ability to move away from benchmarking, operational freedom and focus on long term performance. This mandate is particularly important for making investors very wealthy in the long run.

Another benefit that many investors may find appealing is the operational model of the industry i.e. the fact that the shares remain in the end client's name at the depository gives the investor a sense of ownership of the portfolio rather than units and at the same time having the luxury of their own fund manager for a fee.

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The Portfolio Management industry has matured and has its own appeal for established analysts and fund managers who are setting up their own boutique firms or joining an existing one. Thus, the industry is getting richer in terms of active management talent and this could go a long way in developing a healthy alternative option for investors in the future.

If we look at the size of the industry today, the Discretionary listed equity segment is around Rs.1.21 lakh crores (vs 0.19 lakhs in 2010) and the overall AUM including EPFO/PFs, Non-Discretionary PMS, Debt, Unlisted Equity, Derivatives and MFs is around Rs.18.77 lakh crores (vs 2.67 lakhs in 2010). Based on this, listed equity portfolio management has grown by 20% CAGR. My personal belief lies in the Portfolio Managementindustry and I expect this industry to continue togrow exponentially for the multiple benefits that are inherent in its model. Assuming a 20% CAGR over the next decade, it would result in a size of the listed equity discretionary portfolio management industry at a whopping Rs.7.5 lakh crores or a 100bn$ (at current USD) by 2030.

JYOTIVARDHAN JAIPURIA
Founder & Managing Director
Valentis Advisors Pvt. Ltd.

2020 was a momentous year for the alternative asset industry with Sebi introducing a number of regulatory changes. Some broad measures were aimed at bringing greater transparency for the investor by standardization in return calculations. Sebi has introduced performance benchmarking as well as standardization of private placement memorandum ("PPMs") in order to make comparisons in performance easier. Similarly for PMS products, it is mandatory to use Time-weighted rate of return (TWRR) in highlighting performance.

The second area of reform touched on investor protection by increasing capital adequacy of funds. Sebi has raised the minimum capital required for PMS from Rs 2 crores to Rs 5 crores. Arguably, this appears high in relation to capital requirements in other countries across the globe. This may mean a gain in market share for the larger players while investors may see reduction in some niche strategies which the smaller players who may not meet the enhanced capital requirements may have offered. But overall from the alternatives industry point of view investors will be more confident of the capital stability of the funds and hence attract more money.

Lastly, some steps may appear to be negative in the near term for the industry. Firstly, Sebi has raised the minimum investment in a PMS from Rs 25 lakhs to Rs 50 lakhs which reduces the pool of investors for a PMS. Yet, it also clearly demarcates that smaller investors should prefer the mutual fund route and the alternative investments are for more sophisticated investors. Secondly, the move to abolish upfront payment to distributors and move to trail while negative on the margin, brings regulations in line with those for mutual funds.

While the regulatory measures have their pluses and minuses, we think the alternative investment industry is set to see a quantum jump over the next decade and we expect a four-fold increase in its AUM. Four factors will drive this. First is the secular rise in overall savings pool in India. India's savings rate is around 30.1%. Assuming a steady savings rate, total savings in India can increase over 10% CAGR over next decade in line with GDP. Second the mix between physical and financial savings is likely to tilt towards financial savings again. From 2008 when the stock markets collapsed, we have seen a greater proportion of savings go to physical assets like gold and real estate with the current mix being over 60% physical assets. We see this mix moving in favour of financial savings again as real estate will be under pressure. Thirdly, within financial savings, bank deposits account for over 50% of the savings while equities are 5-6%. We see the proportion of equities rising. Lastly, within equity market investments, alternative investments account for a small portion of the pie being less than 20% of the AUM of mutual funds. We think this share rises as investors get more sophisticated and seek higher returns with a more customized risk profile.

We think the alternative investment industry is set to see a quantum jump over the next decade and we expect a four-fold increase in its AUM. Four factors will drive this.

VIRAJ MEHTA
Managing Director
Equirus PMS

"There is nothing more powerful than an idea whose time has come." – Victor Hugo.

This simple quote is a powerful mental model to help us think about disruptive ideas. Most of the times, the disruptiveness of an idea is only clear in the hindsight. However, there are some situations where one can point the direction of disruption with reasonable confidence. We take a look at one such trend, within investment management industry in India. We are talking about alternative investment vehicles, more specifically, PMS (Portfolio Management Services) and AIFs (Alternative Investment Funds). There are other alternative and even exotic investment vehicles but that is a different topic for a different day.

The investment management industry broadly comprises of Mutual Funds (MFs), Insurance + Investment schemes (ULIPs), Pension Scheme (NPS), PMS and AIFs. Broadly speaking, MFs, ULIPs and NPS are available to anyone who has surplus capital to invest however small it may be. PMS and AIFs are more exclusive vehicles available to HNIs (High Net worth Individuals) with minimum ticket size of Rs. 5 mn and Rs. 10 mn respectively. PMS is a set of discretionary or non discretionary accounts managed separately under a common umbrella. AIFs are classified in three categories: Category 1 (Venture Capital (VC) Funds, Infrastructure Funds, Angel Funds, Social Venture Funds), Category 2 (Private Equity (PE) Funds, Debt Funds, and Fund of Funds) and Category III (mainly Hedge funds). Alternatives enjoy significant relaxations in terms of investment they can make compared to MFs.

SEBI has played a critical role in development of alternatives in the country through a pragmatic approach to regulations. As with any new investment vehicle, initially alternatives were treated with skepticism. But as theinvestors warmed up, the regulations have become more sophisticated. Few salient points to note are:

- To curb misspelling, the entry barriers have been raised not only in terms of minimum ticket size but also in terms of qualification criteria for Asset managers. At the same time, investment avenues have been broadened significantly. This makes more avenues (perceptibly riskier) available to HNIs and at the same time protecting small investors.
- SEBI also played a critical role in stopping the upfront fee sharing on selling of PMS products leading to more level playing field
- A big advantage alternatives enjoy over other vehicles is the ability to tailor the fee structures based on their client requirements. A performance based fee structure helps align incentives of asset managers and investors.
- SEBI has also brought in norms recently bring more accountability and improve transparency especially in the reporting standards.
- Taxation has also been made friendlier with pass through status for most categories of AIFs (PMS are structurally pass through).

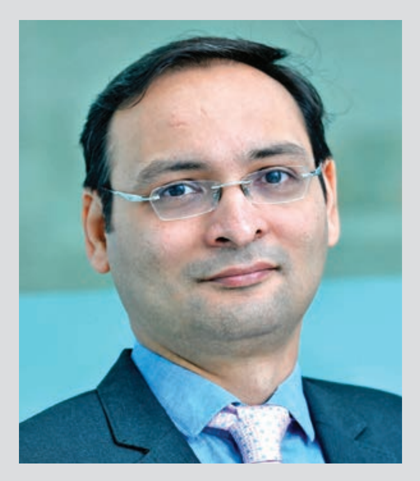
This progressively evolving regulatory framework has given a significant impetus tothe industry growth.

The three categories have grown handsomely indicating a clear trend of financialization of assets in India. This is and will continue to be a mega trend for the coming decade. Digging deeper, one can see the alternatives have grown at a much faster clip than MFs, pointing to an underlying unmet demand. India will see a tremendous growth in the number of HNIs in this decade. While the growth rate is anybody's guess, the direction is irrefutable. In this context, the need for tailored investment vehicles will increase exponentially. At the same time, India will require a tremendous amount of capital with varying tenures and risk-return profiles to fund its growth. Alternatives are a great platform to match these investors with country's capital requirements. Needless,the time for alternatives has come. It will be surprising no to see, alternatives form a much larger pie of financial assets over the next decade.

Month	Alternatives		MF	Alternatives (as% of total)
	PMS*	AIF#		
Mar-11	19,475	-	592,250	3.2%
Mar-12	18,773	530	587,271	3.2%
Mar-13	19,626	3,951	701,443	3.3%
Mar-14	28,084	9,504	825,240	4.4%
Mar-15	49,480	22,691	1,082,757	6.2%
Mar-16	58,036	40,956	1,232,824	7.4%
Mar-17	87,536	85,276	1,754,619	9.0%
Mar-18	117,866	134,209	2,136,036	10.6%
Mar-19	130,473	186,523	2,379,663	11.8%
Mar-20	109,028	197,160	2,226,203	12.1%

Source: SEBI **Rs. in Cr.*

* Only Listed Equity AUM; EPFO debt funds which contribute more than 90% of total AUM is over and above this amount
\# Amonut of funds raised; Committed amounts are much higher; includes all three categories



VIRAL BERAWALA
Director
Buoyant Capital

As an asset allocator, alternatives operate in a mix of private and public markets across the life cycle of a corporate. Alternatives can be at an angel investing stage, Private Equity, public equity equity & debt markets, derivatives, and commodities. From the investors point the purpose of alternatives is to achieve customization and a high level of diversification.

As alternatives as an asset class in India has been evolving so has the Regulatory environment. AIF's were a big step forward and pass through taxation for Cat-1 and Cat-2 in 2015 deepened the market. On Cat-3 side also, the trust/partnership structures are now well understood by the participants and regulators. Alternative investments are private pools of money invested by sophisticated investors or advisors, over a medium term as more learnings get built in, there will be a case for light touch regulation.

During the pandemic as globally the yields on traditional investments plummeted, alternatives have continued to grow, and the AUM is estimated at over $10 Trillion. Preqin estimates the AUM to increase to $14 Trillion by 2023. In terms of flows, Private equity funds have garnered an inflow of over $500 Billion in every calendar year since 2017. The AUM managed by alternatives in India is relatively small, but the building blocks are in place. There are hundreds of SEBI registered PMS, AIF, VC funds, along with a vibrant wealth management industry has ensured that at an industry level the investing and distribution infrastructure is in place.

Over the next decade, the industry will grow multi-fold driven by several tail winds. First, as wealth firms and IFA's garner a higher amount of AUM's under advisory, a larger number of end investors will have a choice to invest in alternatives. Secondly, Platforms and aggregators with detailed data and research deepen the market.

The Indian households have a much higher allocation to real asset and gold as asset classes, with better understanding of financial goals and investment options, a part of the wealth will get channelled into alternatives.

Lastly, the Indian fixed income and equity markets boomed during 2003 – 2007 period and investment teams expanded across Mutual funds, insurance companies and bank treasuries. Many of the analysts and fund managers have developed deep understanding of the areas they were working at and have started to create their own alternate asset management firms. Experienced professionals with institutional framework will add to the credibility of alternatives as an asset class.

Recently the industry has faced challenges due to changes in regulations and pandemic. However, the structural tailwinds are growing stronger. As Bill Gates wrote in The Road Ahead, *"We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction."*

Private equity funds have garnered an inflow of over $500 Billion in every calendar year since 2017

NUPUR PATEL
Principal Officer &
Head – PMS Sales & Marketing
PrabhudasLilladherPvt. Ltd.

In recent times Funds management has got more complex with asset allocation being the key differentiator for all fund managers.

In recent times we have seen AIFs getting more popular and changes/ amendments in some key regulations, minimum qualification criterion and relevant experience being mandatory for key personnel. This along with role & responsibility of Investment Committee will bring more transparency and benefit to investors.

In times to come we may see private equity or venture capital and hedge funds gaining interest among investors with lots of new assets being added to alternatives. With emergence of combination of assets like Fine Arts, Farmland, Angle investing, Collectibles etc. in years to come growth in 'alternatives industry' will be exponential.

PIYUSH SHARMA
Portfolio Manager (Minerva India Under-served)
Right Horizons

Changing regulatory landscape for alternatives.The Indian domestic equity investors are overwhelmingly 'individual', so much so that we often see investment managers bizarrely categorizeeven family officeallocators as 'institutional'. This lack of institutional engagement is particularly apparent within the small and micro-cap space. Consider this – Almost 40% of our current book has less than 10% institutional ownership. In such an environment, as long as it's not decidedly 'overreach', we would much rather see active and dynamic regulation for the sake of investor protection.That said, it's equally critical to appreciate that compliance globallytends to become irreversibly onerous over a period of time, and this is certainly something that needs to guide us away from becoming 'reg-happy'. Hopefully, SEBI doesn't see the likes of SEC as regulatory role models to follow, inadvertently driving up compliance costs and ensuring that the larger investment managers improve their competitive positioning at the expense of emerging ones.It is in no one's interest to have a regulatory regime that shifts from focusing on 'right vs wrong' to a mechanical 'black vs white'.

Taking stock. While a lot has been done by SEBI, some of which appears more instinctive than well-thought, there are several imperatives that aren't even actively discussed, let alone addressed. Let's begin by taking stock of some of the key regulations brought-in in the recent past before debating some other issues that need attention. One of the major attractions of the managed accounts (PMS) structure lies in its ability to customize for specific risk gradients. Inevitably, that brings the associated challenge of reporting 'standardized' performance for anasset base that is anything but 'standardized'. While SEBI's new rules on reporting largely make sense, it's unclear if historical numbers require to be retroactively amended and this needs to be clarified. In contrast, some other recent regulations appear incomprehensible. Take the decision to hike minimum investment from Rs. 2.5 million to 5 million, for instance - It's baffling that while MAS in Singapore mandates a minimum of $75,000 for a single-manager hedge fund (i.e. a bit over Singapore's per capita income), SEBI's mandate for a managed accounts structure is around $65K (nearly 30x India's per capita income). Admittedly, managed accounts globally typically require higher minimums, but SEBI's extreme position on this flies in the face of logic. No matter how one slices it, such rulings achieve precious little at best, and are regressive at worst.

Elsewhere, I see an urgent need for issues such as regulating information dissemination, and preventing front-running. Again, these are particularly critical within a PMS space that is nearly devoid of institutional engagement.

'Cheer leaders' need to be monitored. I recall when I was on the sell-side in US (broker-dealers in US are governed by the self-regulated FINRA), we had to tread very lightly when discussing stocks under our coverage because thresholds of an opinion getting considered 'research' were arguably very low, to the point of often being unrealistic. Lot has changed since then, particularly in terms of the social media explosion. While SEBI has its own rules on investor communication, you'll hardly ever hear them getting actively enforced, particularly on the buy-side. In my view, investment manager communication in India certainly needsmore monitoring and regulation, more so in this new 'Robinhood' world where unsophisticated investors can easily be swayed by widely followed voices. It's hard to argue that in the absence of true shorting, little room for bellicose activism, and ability of companies to arm-twist those with an adverse opinion, price discovery in India is poor. This is particularly visible within the micro and small cap names where earnings and prices can often disconnect for meaningful periods, on either side of course. With sub-par institutional ownership in this part of the market, one shouldn't put it past certain highly visible managers to influence prices by simply banging the table on media platforms that are perennially starving for eyeballs, or through an alphabet soup of social media alternatives available today. Recall cheerleader behavior around 'Future Group' stocks until the end of 2017? –Future Consumer Ltd. neither had anywhere close to an investment-grade balance sheet nor was expected to have an earnings run-rate anywhere close to justifying itsheady valuations. Yet, it amazingly expanded shareholder value (read 'froth') more than six-fold over a four-year period ending FY17 (Mar). At its peak, 90% of the institutional ownership was with 2 foreign investors and overall institutional ownership was barely 20%.Interestingly, throughout the manic upside in 2017, we noticed FPI sales coupled with concomitant domestic individual investor buying, either directly or through managed accounts. Subsequently, the entire "value

In a country where individual investors overwhelmingly prefer investing by themselves, there are a lot of sitting ducks for the ethically challenged.

creation" evaporated even before the pandemic struck. There are tons of similar stories over the years and these only allow the perma small-cap skeptics to naively generalize their skepticism across a vast space. So, while it might sound radical at first, I think it's worth debating if we should allow investment managers from publicly discussing (can obviously discuss with accredited investors in closed group interactions) their holdings that don't cross certain thresholds of institutional ownership or operating earnings/revenues. This is clearly not an institutionalized space and accordingly requires more than "off-the-shelf" interventions.In a country where individual investors overwhelmingly prefer investing by themselves, there are a lot of sitting ducks for the ethically challenged.

New horizons for alternatives. The potential opportunities for alternatives in India are vast and nearly all of them assist in broadening choice set and improving price discovery. While some are more likely to materialize, the required change in the overall regulatory environment, securities and otherwise, is too large to let certain others fructify. While a more liquid and deeperonshore bond market can allow for more bond and arbitrage offerings, we won't hold our breath for more complex variants of equity specific strategies to expand meaningfully.

Some of the most appealing equity-specific opportunities (activist or 'true' shorting strategies) stand little chance of gaining traction, unless things change drastically and defamation cases are swiftly disposed through a parallel regulatory route. Recall Gurgaon cops running around to place an analyst in jail a couple of years ago after he published an adverse piece on a supposedly politically well-entrenched group?. You don't need to be a rocket scientist to realize that there are parts of India's business landscape that are disturbingly irreproachable. As things stand, when you see lemons at some of these places, you simply walk the other way. The environment-mostly doesn't incentivize inquisitive teams from monetizing their efforts. Swift parallel disposition of cases, and much higher public floats would certainly attract more complex strategies and improve price discovery. In Field of Dreams, Kevin Costner, a corn farmer in Iowa, heard that famous whisper "*If you build it, they will come*", suggesting that players will come if a field were made. SEBI needs to build more than just a proverbial field, but an increased focus on improving underlying price discovery will go a long way in building faith.

SHARAD PACHISIYA
Chief Executive Officer
SageOne Investment Advisors LLP

Alternative investments in India have come a long way over the last decade. Along with rising pool of superior return opportunities in India, the strong growth momentum in this space has also been driven by the evolving regulatory landscape and a positive government intent. The endeavor has always been to make India an attractive investment destination not only from opportunities standpoint but also from ease of *modus operandi* for the investor community.

The receptiveness to incorporate suggestions from the investor fraternity and refine the investing guidelines on a regular basis validates the above intent and endeavour of the regulator. Proactive regulatory reforms in the past few years like foreign investments in AIF under the automatic route, tax pass through structure implemented for Category I and II funds, relaxation for FPI debt investments through AIF route, the recent GIFT city guidelines promoting Category II funds by providing 10 year tax holidays etc. is to create an entire ecosystem in India which is at par or better than other international jurisdictions. Indian alternative investments space has a long way to go from here backed by a conducive environment of rising and superior investment opportunities and a proactive regulator.

The present Indian alternative investment industry AuM at $54 Bn, which translates to less than 3% of India's public market capitalization of $2 Tn, (as on Sept 30, 2020 from SEBI, BSE) is very miniscule and underpenetrated compared to global markets and standards. The next decade looks extremely promising and substantial for India considering the favorable dynamics in this space both from demand and supply side:

Favorable demand side dynamics (i.e. providers of capital) – Rising wealthy Indian investor community (HNIs, UHNIs, family offices) and their growing need to deploy funds in asset classes which can generate superior returns compared to traditional avenues, foreign institutions/investors seeking higher returns exposure in emerging markets including India owing to ageing developed markets returns & opportunities and a falling interest rate scenario.

Favourable supply side dynamics (i.e. seekers of capital) – The exponentially growing start-up/venture capital ecosystem, burgeoning private equity space, evolving credit (performing and non-performing credit) environment, need for infrastructure & renewables spending translating to unparallel investment opportunities in India. The alternative investing space in India looks well poised to attract lot of domestic and global capital over the next decade.

ADITYA SOOD
Founder
Vishuddha Capital Management LLP

Alternatives offering over the last 1 year have become investor oriented with many industry standards being introduced by the regulator to protect the interest of the investors, which include revision in the net worth criteria for PMS providers from INR 2 crores to INR 5 crores, introduction of trail commission for PMS, client level disclosure for commissions paid, mandatory appointment of a custodian, and implementation of the stewardship code for AIFs which is a principle-based framework that assists institutional investors in fulfilling their responsibilities to help them protect and enhance the value of their clients.

It is resulting in right products being structured and comparable information being reported across schemes thus making the investment decisions easier for both advisors and investors. These have added far more credibility to the alternative platforms.

Two trends which are shaping up the investment management industry globally are money flowing into passive funds – ETFs which offer benefit of low-cost index investing to investors and money getting invested with boutique managers wherein the investors have access to the fund manager.

A boutique has strong alignment with the investors by having 'skin in the game' or co investing with clients, more importantly being unconstrained and following the investment style that suits the manager and flexibility to offer a customization of fees both fixed and performance-based fees also is an added advantage.

Given that many mutual funds have not been delivering outperformance vis-à-vis the benchmark, investors are either looking at index funds or alternative strategies for better returns. UHNI and large family offices are now looking for boutique managers who offer unique styles of investing with flexibility to deliver the outcomes. We believe the alternate platforms of PMS and AIFs will get a lion share in investor equity allocation.

It has been observed that beyond a point size, tends to impact performance in funds. Once the assets under management balloons, making successful investment decisions becomes much harder. It becomes more difficult for the analyst with a great idea to get heard at a larger firm. And the firm can no longer make money out of smaller companies because the size of the firm means that it can now only invest in large-cap companies. Larger firms often ask their managers to not deviate too much from the benchmark and have a low active share.

PMS managers are largely stock pickers and market polarization in 2018 -2019 with only handful of 6-7 stocks moving the benchmark had impacted the relative performance. With the turn of market cycle in 2020 where the returns are broad based and quality companies with differentiated businesses and delivering growth are getting rewarded, the stock picking style has started delivering substantial outperformance. We believe this trend will continue as markets have started looking beyond large caps stocks.

The regulators approach of streamlining the mutual funds to being "true to the label" and organising the schemes in respective categories, including the recently introduced changes in the multi cap mutual funds have created a distinct opportunity for Alternative managers with bottom up stock picking style. This gives alternate managers an opportunity to deliver better risk adjusted return with flexibility to maneuvered across market capitalisation within the investment framework.

Many mutual funds have not been delivering outperformance vis-à-vis the benchmark, investors are either looking at index funds or alternative strategies for better returns. UHNI and large family offices are now looking for boutique managers who offer unique styles of investing with flexibility to deliver the outcomes. We believe the alternate platforms of PMS and AIFs will get a lion share in investor equity allocation.

AYUSH AGGARWAL
CIO (Chief Investment Officer)
SMC Private wealth, Director - SMC Group

The global pandemic in which we are in right now; with a largely fragile economy and market swings is making even the most seasoned investor dizzy. Hence, investing in alternate investment products such as REITs, International Equities, Gold Bonds and Alternative Funds etc seems to be becoming new normal going forward. The days of investing in portfolios solely of equities and bonds are now steadily becoming a thing of the past. With so many potential advantages of holding alternatives, therefore, is not surprising that investors are becoming increasingly drawn towards the alternative investments and not just traditional Investing. Extended periods of exceptionally low interest rates around the world have left many investors with inadequate returns on their bonds and virtually no return on their cash investments amid the pandemic.

The malaise affecting these main asset classes has increasingly driven investors, especially long-term investors like pension funds, to seek higher rates of return by deploying more of their capital in so-called alternative assets. The sector has experienced strong growth momentum in recent years. Now alternative investments are proving crucial and are being increasingly held in the portfolios of institutional investors, high-net-worth individuals (HNWIs) and ultra-high-net-worth individuals (UHNWIs). Undoubtedly, alternative assets allow investors to further diversify their portfolios, mitigate market risk and achieve better risk adjusted returns. A data showed that Alternative investments represent approximately $13 trillion (or 12%) of the global investible market, consisting of hedge funds/liquid alternatives, private equity, real assets, and structured products. There is an expectation that by 2025, the sector can grow to 18-24% of global investible market. The growth in Alternative investments across the globe is also supported by external conditions such as lower interest rates, declining pension funding ratio, the maturation of emerging markets, and a structural change in capital formation.

Just as investors are starting to diversify into alternative asset classes as a means of defending their portfolio against market volatility imposed by the COVID-19 outbreak, regulators too are catching up speedily with new investor demands and trends across the globe. At home SEBI has been very stringent in this regard too. For the first time, SEBI had set down the original alternative investment fund regulations in 2012 and thereafter there have been several changes of the regulations based on market recommendations. In June 2017, SEBI permitted category 3 AIFs to invest in commodities market. Consequently, AIFs could take maximum exposure of 10% of their assets in a single commodity. Again, in the September, SEBI revised the reporting norms of category 3 AIF for a more accurate and complete picture of the commodity investments made by these funds.

SEBI announced multiple changes to angel fund regulations in the year 2018. The minimum corpus for an angel fund was reduced from Rs.10 crores to Rs.5 crores and the total investment period was extended from three years to five years. With an aim to provide impetus to early-stage start-ups, SEBI has increased the maximum investment limit by angel funds in venture capital undertakings to Rs 10 crores from the current Rs 5 crores. Again, in July 2018, SEBI enhanced the overseas investment limit of alternative investment funds and venture capital funds to USD 750 million from the earlier USD 500 million. In November 2018, SEBI permitted domestic fund managers or sponsors of AIFs to manage AIFs headquartered in international financial services centre (IFSC). Even recently, SEBI has clarified that category II and III alternative investment funds (AIFs) established as a trust may qualify as qualified buyer and subscribe to security receipts issued by asset Reconstruction Company.

Private equity firms are investing in businesses at earlier stages in their lives and remaining invested longer, squeezing out more returns. Real assets including infrastructure and real estate are set to be the fastest expanding sector. Hedge funds appetite is also growing considerably. Of late we have seen in India that two developments gave some support to the potential growth of India's alternative investment industry. First, when Reliance's Jio Platforms Ltd raised an amazing US$20 billion within a few months, despite the global COVID-19 outbreak. Second, the start-up space received a boost when the Reserve Bank of India decided to categorize start-ups under the Priority Sector Lending. It could be seen that amount of money in private equity and real assets is increasing competition and driving acquisition prices up. It is believed that over the next five years, larger pools of capital will be seen being directed in much more focused efforts.

To conclude, alternative investments can offer investors a much-needed source of higher returns and risk diversification in the current environment of static low interest rates, negative yielding bonds, and expensive equity markets. As markets for these assets and strategies expand and participation grows, more of these alternative investments are becoming suited to the needs of institutional investors. Moreover, interest in this space is growing rapidly and the sector itself is continuously evolving. Although, investors should be fully aware of the often-complex nature and hidden risks associated with such products.

DEEPAK JAGGI
Co-Founder and Managing Director
SATCO Wealth Managers PVT. LTD

Customization through AIF and PMS over commoditized products

Over the past decade, portfolio investments have become more structured, at least for serious investors. Rather than buying a few stocks here and there, investors are appreciating the usefulness of professionally managed vehicles. Mutual Funds are morepopular as it offers easy accessibility and small ticket size. However, this appeal itself has contributed to MFs becoming a commodity. Over and above this, SEBI's strict fund categorization of equity, debt and hybrid funds, while leading to uniformity in product offering, has also led to commoditization. In this backdrop, the client segment that prefers niche or differentiated or customized products, and has the requisite ticket size, is moving on to PMS and AIF.

PMS is by definition a customized product. AIFs are pools of investment, but are floated for niche investment ideas and the investors being a select few, offers the differentiation in investment scope and objectives.

Growth of these vehicles has been remarkable; let us take a look at the numbers

Growth in AIF AUM

Cumulative net figures at the end of 30th Sep 2015
(All figures in Rs. Crores)

Category	Commitments raised	Funds raised	Investment
Category I			
Infrastructure Fund	6875.69	1970.25	1350.08
Social Venture Fund	600.52	259.52	216.65
Venture Capital Fund	1630.64	808.28	528.78
SME Fund	155.00	123.79	20.03
Category I Total	9261.85	3161.84	2115.54
Category II	14706.80	7859.78	6836.45
Category III	3515.51	2921.60	2302.72
Grand Total	27484.16	13943.22	11254.71

Cumulative net figures at the end of 30th Sep 2020
(All figures in Rs. Crores)

Category	Commitments raised	Funds raised	Investment
Category I			
Infrastructure Fund	11898.19	8259	7156.51
Social Venture Fund	2448.41	1456.13	1097.2
Venture Capital Fund	26455.5	11040	8373
SME Fund	642.13	120.77	64.39
Category I Total	41444.23	20876	16691
Category II	314309	133815.3	112018.8
Category III	49364.34	42468.4	36963.44
Grand Total	405117.57	197159.7	165673.24

Source: SEBI

From September 2015 to September 2020, fund commitments of AIFs have increased from Rs 27,484 crore to Rs 4,05,117 crore, which is a CAGR of 71%. Funds raised have increased from Rs 13,943 crore to Rs 1,97,159 crore over the period, at a CAGR of 70%.

Growth in PMS AUM

Report of portfolio managers- As on July 31, 2015
PMs reported for the month-208

	Discretionary	Non- Discretionary	Advis
No. of Clients	44955	3423	3451
AUM (Rs. in cr)			187667.87*
Listed Equity	44412.66	9287.85	
Unlisted Equity	1249.31	51.18	
Plain Debt	664558.59	36018.14	
Structured Debt	114.30	490.04	
Equity Derivative	168.19	-2.31	
Mutual Fund	5935.67	5075.48	
Others	22126.69	210.04	
Total	738565.40#	51130.42	

Notes: 1. *Value of Assests for which Advisory Services are being given.
2. #Of the above AUM Rs. 665805.53 Crore is contributed by funds from EPFO/PFs.

Report of portfolio managers- As on July 31, 2020
PMs reported for the month-335

	Discretionary	Non- Discretionary	Advis
No. of Clients	148,336	9,093	2,950
AUM (Rs. in crore)			191,836
Listed Equity	121,511	22,282	
Unlisted Equity	495	270	
Plain Debt	1,414,218	81,700	
Structured Debt	1,430	1,303	
Equity Derivative	517	-	
Mutual Fund	11,883	14,127	
Others	12,975	3,014	
Total	1,563,028	122,696	
Grand Total	1,877,559.41		

Notes: 1. *Value of Assests for which Advisory Services are being given.
2. #Of the above AUM Rs. 14,11,557.49/- Crore is contributed by funds from EPFO/PFs.

Source: SEBI

Similarly, in PMS, AUM increased from Rs 7,38,565 crore in July 2015 to Rs 18,77,559 crore in July 2020, which is a CAGR of 20.5%. These numbers include investments from EPFO/PFs; excluding which, PMS AUM has growth from Rs 72,760 crore in July 2015 to Rs 4,66,002 crore, at a CAGR of 45%.While MF industry also has grown significantly over the last 5 years, the faster pace of growth of PMS and AIF shows the scope and space that is serviced by these investment vehicles.

Currently, interest rates having come down significantly, return expectation from debt funds have come down as well. The expectation from fixed income funds is now in the range of 5% to 6% against say 8% few years earlier. This has led investors looking to allocate more to equity and within that into AIF and PMS.

What's the appeal of these vehicles over MFs, apart from the aspects already mentioned?

- The straight-jacketing of MF Schemes has led to a narrower investment universe in large cap funds. In multi-cap funds, or the newly introduced category of flexi-cap funds, though the universe is open, there are concerns about the fundamentals of small-cap companies. This has led to fund managers running portfolios that are increasingly benchmark-hugging and consequently less differentiated.

- Tight bucketing of MF Schemes may be required for mass or mass affluent investors, but may not be a virtue for HNI investors. People are moving up the value chain and HNIs are exploring alternate avenues with boutique fund managers.

- Broadly, talking about equity as an asset class, there is the aspect of relative attractiveness vis-à-vis fixed income. It's a matter of investor psychology that when the equity market is correcting, people look at debt favourably and vice versa. Currently, interest rates having come down significantly, return expectation from debt funds have come down as well. The expectation from fixed income funds is now in the range of 5% to 6% against say 8% few years earlier. This has led investors looking to allocate more to equity and within that into AIF and PMS.

- Introduction of total return indices and cap of 10% on individual exposures have restricted the alpha of MFs.

- Apart from the hard aspects discussed above, there is a soft aspect as well: HNIs get the feeling of exclusivity with fund manager interaction in PMS and AIFs. Fund manager interaction happens in MFs as well, but back-of-the-mind feeling is that it is a mass investment vehicle.

In fine, investors seeking alpha creation, mainly from bottom-up stock picking with flexibility and manoeuvrability to the fund manager, are making PMS and AIFs their vehicles of choice.

Vision 2030: where is alternative investment headed?

Quite a few positive developments have happened in this space:

- SEBI has come out with amendments to AIF and PMS regulations. This has made the fund management structure more compliant and transparent. This would lead to better business growth in the long term.

- If MF is taken as the benchmark, is debatable as PMS and AIF are subject to relatively light-touch regulation by SEBI. Things have improved now. There is availability of competitive information on alternate products through online portals like PMS Bazaar.

- SEBI's focus on RIAs vis-à-vis MF distributors and throwing the field open to RIAs to advise on other products, would motivate RIAs to look at alternate products like PMS and AIFs for their clients.

- Wealth counters who have opted for MFD categorization instead of RIA, along with PMS tie-up, would move in large HNI money into multi-assets. There would be relatively better control over investments and fees than MFs, with relatively lesser compliance requirements.

All this augurs well for development of alternate investment platforms in India. The growth rate over the next decade is expected to be in decent double digits. This is complemented by the fact that in a growing economy like India, the HNI population is growing at a fast clip.

Conclusion

While making investment decisions, investors not only look at returns but the overall appeal as well. PMS and AIF are referred to as alternate at this point of time, and not mainstream, as the threshold makes it a niche product and liquidity is relatively limited. Along with growth of AUM and maturity and evolvement of the segment in terms of investment and regulation, this would become a significant component of the investment services industry.

NEHA PATHAK
Assistant President
Karma Capital

Indian markets have a bright future ahead

A vibrant,consumption-oriented and domestic-driven Indian economy will continue to see strong sustainable growth for several years to come on the back of a large and growing young population wanting to lead a better lifestyle. The acceleration of this trend in the last 2 decades, has driven governments, irrespective of their political ideology, across centre and states, to undertake reforms across land, labour, capital, and social areas, in order to improve the standard of living through better public infrastructure, law and order, employment opportunities, etc. Unfortunately, India has never had the means to fund this spend entirely through domestic capital which is why government realised the importance of foreign capital inflows. Hence, over the years, government has introduced several measures to attract foreign capital flows.

Thus, India has a thriving ecosystem that allows foreign investors to invest through a variety of asset classes, primarily equity and debt, again through a variety of means. They can be long-term or short-term investors depending on their investment horizon. Foreign corporates with a long-term view prefer to invest on the ground through capital projects or take strategic stakes in domestic companies. Another set of professional investors like Private Equity or Venture Capital prefer to invest in India through dedicated India based vehicles and take significant stakes in public and private companies through appropriate markets. Fixed income investors have benefited from the higher risk-adjusted returns in Indian bond markets and have now also got one more option to invest in InvITs or REITs in recent years. Global equity investors, especially institutions, use Indian public listed equity markets as the mode for investing with a short to medium term view on India.

Although the Indian equity market, through its 2 main exchanges – BSE and NSE, has more than 5,000 listed stocks in its universe, market depth is shallow and only the top 200-300 stocks have the capacity to absorb capital flows without significant impact on price, implying low liquidity and high impact cost for the rest. As a result, many global equity investors prefer either global top-down emerging market fund managers who only look at the top 100-200 stocks because of their size or passive ETF strategies which simply replicate the flagship index.

Passive investing has scaled up very well in the past decade, led by a virtuous cycle of increasing size leading to lower costs which in turn attracts more flows. It has also been helped by lack of performance from active managers due to benign liquidity situation from global central banks. However, for a long-term investor, significant alpha can be created by working with an active country-specific manager willing to look beyond the top 100-200 stocks in the local market, having a high-quality investment team on the ground, with a disciplined, and rigorous investment framework, risk management process and associated support systems.

Coming specifically to India, the last 2 years have been challenging for equity investments, especially for active mid & small cap managers on account of variety of reasons – lofty valuations at the beginning of CY2018, introduction of long term capital gains, SEBI actions on trading activity relating to small and mid-capstocks, market cap re-classification, IL&FS financial crisis converting to a liquidity crisis, etc. This forced the flows, both from domestic and foreign, to shift to passive and active funds managing large cap strategies. Even here, within active strategies, flows have been to a narrow set of high-quality large cap stocks which have pushed their valuations to an all-time high. The market polarisation has only accelerated in past few years.Finally, the economic slowdown that happened in last 2 years coupled with lower crude prices has led to a lower inflation regime which in turn has brought down the risk free rate leading to lower cost of equity and consequently higher valuation multiples.

In an earlier era, foreign flows made or broke the Indian market. However, with strong domestic flows expected in the long run, their influence on Indian markets has reduced in recent years.

Nevertheless, it has been observed that every few years, markets do revert to a mean with incremental flows once again shifting to mid and small cap stocks. Every few years, new sectors and themes emerge, and companies normally start out as small and mid-caps. Several new sunrise sectors,based on themes of digitization, China+1, logistics, import substitution, etc., in Electronics Manufacturing, Speciality Chemicals, Internet Platforms, Business Services, Auto Ancillaries, Insurance, Asset Management, Fintech, etc., are expected to have long multi-decade growth runways in India. Thus, after 2-3 years of underperformance of small and mid-caps, several conditions are in place for a sustained rally in this space. Institutional ownership is also at a relative low level in the small and mid-cap space.

Rise of AIFs in next decade

In recent decades, global markets have seen several innovations in product structures which are collectively called as alternatives. They provide a better approach for sophisticated institutional and retail investors to invest in a variety of asset classes including commodities, real estate, equities, fixed income, and their derivatives, according to their risk profile and investment horizon. India was missing the alternatives industry until SEBI started giving out AIF licenses for various purposes in 2012. AIF licenses by SEBI marked the birth of alternatives asset management in India. Since the first AIF was approved in 2012, the industry has grown to the size of INR 197,160 crore in AUM (USD 26.8 bn) in the past 8 years.

AIF III which is most relevant to our industry has grown to INR 42,468 crore (USD 5.8 bn) in AUM (22% of funds raised by AIFs as on Sept 2020). AIF gives much greater depth to the Indian market by allowing significant flexibility to managers in how they structure their portfolios. AIF III allows managers to use multiple other instruments like derivatives, hedging etc to reduce risk / volatility in the portfolio. As Indian capital markets evolve, there will be a plethora of new derivative / hedging options that would open for managers to manage risk and express their views on the markets. For instance, SEBI has allowed the introduction of options in gold derivatives at commodity exchanges and has allowed more types of institutions such as MFs to participate as well. Similarly, we now have power and gas exchanges that allow sophisticated investors to express views on the power demand situation and pricing in India. This would deepen and widen the markets with multitude of new market participants.

Looking at the past growth record of the Mutual Fund industry, AIF industry should grow into a USD 100 bn industry by 2030. This might prove conservative as the current size of GDP and the financial savings is expected to grow exponentially during the same period.

Emerging themes in active investing and their continued importance in the markets

Across all sectors, technology is going to be a key differentiator and the way it is used will make a material difference to the future prospects of a company – product and service improvement, reaching customer through digital means, reducing turn-around times for customer service, reducing costs, etc.

In recent years, Indian investing landscape has evolved to focus on several aspects covering income statements, balance sheets, cash flows, business quality, clean accounting, and a respectable corporate governance.

Another globally emerging theme is the role of governance in evaluating companies, not just from a financial standpoint, but also environment, and social. Thus, we expect global asset allocators to push their existing and prospective active managers to take into consideration ESG and other factors into play while evaluating companies and incorporate them in all aspects of their workflow. Having said that, ESG will be customized to suit Indian landscape, and from industry to industry.

These themes and factors ensure that an active manager, who straddles the entire market, takes into consideration factors relating to technology, governance, and data analytics, will be able to overcome challenges from passive investing, and remain relevant and actually thrive in coming years.

While all the above factors suggest that active alternatives do have a bright future, their growth will depend on the flows that come to them, from both domestic and global sources. In this regard, the domestic flows have only just started on their long upward journey. Currently, savings in India are dominated by real estate and gold whereas financial savings has remained low and grown in spurts. Interestingly, the first large push towards financial savings happened postdemonetisation in Nov 2016 after which the sudden large glut of inflows into the banking system eventually percolated to a large lumpsum as well as strong and sustained increase in MF SIPs.

However, it is not just MFs that have benefited. PMS and AIFs which seek out high income bracket savers also benefited tremendously with AUMs of several large PMS houses doubling over the next few years. Despite the growth of equity AUM in India, financial savings remain underpenetrated at 7.6% of disposable income even now, as compared to peer EMs and

Developed Markets. As India progresses, and its people save more, their propensity to diversify into financial risk assets will only increase and will lead to a sustained growth in equity and debt AUMs of all types of passive and active fund managers, provided they deliver performance expected of them.

In an earlier era, foreign flows made or broke the Indian market. However, with strong domestic flows expected in the long run, their influence on Indian markets has reduced in recent years. A strong sustained foreign inflow into capital markets brings several benefits to India – forex reserves, stable currency, increasing importance of India among the global economic cycle, etc. They also bring several global best practices and global thoughts which are ever evolving.

Role of regulators in growing the alternatives industry

To support these strong flows, a healthy and supportive financial regulatory system is required. Fortunately, India has a vigilant regulatory system, which while being conservative, also learns from global best practices and evolves with the times. This is reflected in their constant endeavour to increase and improve the depth of the markets, introduce new products, allowing more participants in various markets, enhance consumer protection, etc. Among them, one recent-regulatory change introduced in investing landscape by various government regulators (SEBI, RBI, Central Government), be it for advisors, distributors or investment managers (for FPI, PMS, MFs), emphasiseson– "transparency to clients and consistency in reporting across industry". The recent changes go a long way in making "performance" as a key criteria for manager selection by wealth managers (be it distributors or advisors). Thus, entry barriers for active managers, in terms of 'skin in the game' (their own capital contribution) and on-going compliance and cost associated with it, have increased thereby making it expensive for managers with sub-optimal AUMs or sub-optimal long term performance to continue running profitably for long.

Conclusion

The whole eco-system is in place to generate tremendous opportunities for wealth creation through active investing and by allocating funds to such practitioners.

It is time to stay in INDIA & invest in INDIA!!!

PARAMESWAR M A
Vice President
Joindre Portfolio Management Services

Realigning to Regulations for Future Growth

The Portfolio Management Services (PMS) industry, in the last decade had witnessed substantial growth in its Assets Under Management (AUM) and there has also been a substantial increase in the number of clients until the beginning of 2020 indicating that the PMS industry plays a significant role in managing funds of High Net-worth Individuals. The number of clients under Discretionary PMS which stood at 67,417 in December 2010 was down to 38,849 in December 2014 and at1,49,948 in December 2019, However the AUM under Discretionary PMS (excluding EPFO & PF) which was at Rs 41,092crore had grown to Rs.1,45,958.69 crores during the same period. Jan 2020, saw an addition of almost 5242 new investors in the wake of the new SEBI regulations being introduced.

PMS industry was not as tightly regulated as mutual funds, allowing their asset managers to follow more liberal fund management and selling practices. With SEBI barring mutual funds from offering upfront commissions to distributors and wealth managers on the sale of their products, many distributors were increasingly selling PMS products. This necessitated intervention from the regulator which brought in sweeping changes in the form of SEBI Portfolio Managers Regulations, 2020 which was notified on the 16th of January 2020.

Some key changes brought in are as follows:

- The new regulations prescribe an increase in the minimum investment limit from earlier Rs. 25 Lakh to Rs. 50 Lakh. SEBI felt that PMS was a more complicated and riskier product and did not want retail investors with limited understanding to invest in PMS. This object of safeguarding the interest could have anyway been achieved by the many other changes in the regulations that have been bought in by SEBI. The immediate impact will be a large number of investors with investable surpluses between Rs.25 to Rs.50/- lakhs, getting deprived of availing services of professional Portfolio Managers as a part of their overall investment planning. The existing clients, though allowed to continue with their investments is allowed to add only such amount that will take the portfolio value to Rs.50 lakhs. and above.

- The Net- Worth requirement for Portfolio Managers hiked from Rs.2.cr to Rs.5 cr. Fringe players will be edged out in times to come.

- Standardized reporting. – This was a must as different Portfolio Managers followed different practices of calculating returns. i.e. Some displayed model portfolio returns, some cherry-picked portfolio of individual clients, some ignored cash component or withdrawn portfolios while calculating returns,some annualised returns thus inflating the performance, etc. SEBI has now mandated the performance shall be calculated using "Time Weighted Rate of Return" (TWRR). Aggregate Portfolio returns for the immediately preceding three years should be comparison with appropriate Benchmarks. The TWRR calculation breaks up the return on an investment portfolio into separate intervals, based on whether money was added or withdrawn from the fund, thus giving a fair picture of performance to prospective investors.

- The other key changes include regulation with respect to Investment Norms. The PMS Regulations, 2020 introduce restrictions on investment in unlisted securities by mandating discretionary PMS to invest only in listed securities, while non-discretionary PMS can invest in unlisted securities up to 25% of their AUM in unlisted securities. Investment in mutual funds may be done by Portfolio Managers only through 'Direct Plans'. This will restrict the Portfolio Manager or its associate, charging any distributor's fee from the clients.

- The Qualifying Criteria for employees of the Portfolio Manager has been enhanced.

- A standard nomenclature called the "Investment Approach" is added to the disclosure document to give an investor a better understanding of the Portfolio Manager's service.

- No up-front fees shall be charges by the Portfolio Manager, directly or in-directly.

- Cap on exit load that can be charged to investor.

- Standardisation of reporting formats and periodicity to investors and the regulator.

- PMS can be sold only through registered intermediaries.

The PMS industry is likely to see a slowdown in the number of new investors temporarily due to the increased investment minimum limit for clients of PMS of Rs. 50 Lakh. As per SEBI data, the number of clients under discretionary PMS as on June 2020 has dropped by 6877 investors to 148336 investors from its peak of 155213 investors in February 2020. This could also be attributed to the unforeseen event of COVID pandemic.

The new PMS Regulations has brought in enhanced eligibility criteria, enhanced disclosures and standardization in reporting for the PMS industry. With the restriction on charging upfront fees in any form, the product is slowly getting aligned to the regulations governing mutual funds from the perspective of distributors. All this should auger well for PMS investors, who will be able to better understand and compare products and the terms of services offered by various Portfolio Managers. In the long term as the industry realigns to the new normal it will consolidate and continue to grow as investors become more empowered with enhanced standardised disclosures from Portfolio Managers enabling them to make the right choice. Ultimately it should be the Performance of the Portfolio Manager that should count and enable the investors to Sensibly Invest in Sensitive Markets.

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DIVAM SHARMA
CEO, Co-Founder
Green Portfolio PMS

An Early Assessment of the Atmanirbhar Bharat Prognosis/Initiative

Atmanirbhar Bharat, the approach taken by India to eclipse the reliance on exporters and promote a self-sufficient India while catering to the global demands, is perceived as a transformative initiative. But the real question lures around the effectiveness of these ambitious announcements. The announcement has many analysts raise an eyebrow as they drew parallels with the Make in India initiative, which has only produced modest results. Will Atmanirbhar be just another castle in the sky for India and if not, have there been any developments in FDI's, manufacturing, or any front that is deemed conducive?

Examining different industries, and major players in those industries will enable us to draw out the incremental progress the initiative has bought about. The Department for Promotion of Industry and Internal Trade (DPIIT) focuses to boost manufacturing in 24 key sectors including Toys to Agro Chemicals as part of the initiative. Of the 24 sectors, scrutinising the following sectors, and the companies along with its Capex and performance growth, in detail will enable us to draw short term conclusions about the effectiveness of the Atmanirbhar initiatives 6 months in. To boost the progress of the initiative, programs namely the Production Linked Incentive Scheme (PLI), providing subsidy for 10 key sectors.

TEXTILES

India despite being the largest cotton producer in the world, the textile exports have been around $40 billion, whilst that of China was 7 fold. This underlines the opportunity inherent in the industry, and with the onset of new government initiatives, have there been developments.

Needless to say, a key indicator to measure the progress in the industry is to measure the performance growth of a key player. Moreover, the Capex plans of a company tell us the company is gaining traction as they need to expand to meet increased demand.

A significant player in the Textiles and Apparels sector is KPR Mill – vertically integrated company. During Q2 of FY2021, the company reported an uptick of 16% in income compared to the same period last year. Additionally, according to the management, the company is witnessing a shift of demand in retail customers diversifying their production from China to India. The case of KPR Mill is not an isolated scenario given the shift in sentiments towards India. On the ground level, to promote equal footing for the domestic manufacturers, the government has announcedRs 10,683 crore for textile products under the PLI scheme, anti-dumping duties are being imposed against Chinese goods, and the government is in negotiations with Australia for Economic Corporation, which will be conducive for the textile industry.

SPECIALITY CHEMICALS

The government has announced tax incentives for Greenfield and Brownfield projects and imposed import restrictions for Chemicals. Along with this, the government is to announce the Petroleum, Chemical and Petrochemical Investment Regions (PCPIR) policy to provide more incentives for this sector. Furthermore, Rs. 40,000 Crore are being deployed for new fertiliser manufacturing units to reduce dependency on imports. Indian chemical manufactures are witnessing a strong domestic demand and foreign demand anchored by the need of customers to diversify from China. When it comes to self-sufficiency, the chemical trade deficit is $15 billion. Meaning there is a space that can be filled by domestic players if they receive the required government support and incentives.

PHARMACEUTICALS

By 2025, the Indian pharmaceutical sector is forecasted to grow to $100 billion. To boost the sector the government has been incentivising manufacturers through the PLI scheme and has permitted 100% FDI. Under the PLI scheme, the government recently approved the deployment of Rs 15,000 Crores over a five-year period in addition to the Rs 6,940 Crores that was announced earlier. As part of self-sufficiency, when other developing countries were importing ventilators, India ramped up the production of ventilators, and with the ongoing vaccine development by Bharat Biotech, it seems as if India is putting words into practice. With the progress being made on the vaccine front, the prophecy of 'make for the world' through mass production, and self-sufficiency looks to be on the horizon.

The ambitious programs namely Bulk Drug Park and PLI for the pharma sector is yet to materialise. However, during September 2020, the Drugs and Pharmaceutical industry witnessed an uptick of 24% in its exports compared to that of last year. This is a positive development given the short time window since the announcement of the initiatives.

PERFORMANCE FIRST CULTURE

Seasoned Team with Global Experience:

A deep bench of seasoned investors with experience spanning multiple market cycles.

Extensive global investing experience brings an insightful pattern recognition perspective to investing in India.

Unique team-within-team structure where each company is jointly researched by two analysts.

Time Tested Investment Philosophy:

Outsized returns are earned over time by investing in great businesses at attractive values.

A great business is one that delivers superior returns on incremental capital, is scalable, and is well managed in execution and governance.

Valuation framework predicated on economic cash flows rather than distorted accounting earnings.

WHITE OAK
CAPITAL MANAGEMENT

Disciplined Research Process:

Intensive fundamental research to assess business attributes, and valuation derived from proprietary OpcoFinco™ framework.

Structured screening process to assess governance-DNA of a company as a starting point of the research process.

Build a 360-degree perspective on any business through an extensive schedule of plant visits, meetings with company management, competitors, suppliers, customers and other trade participants.

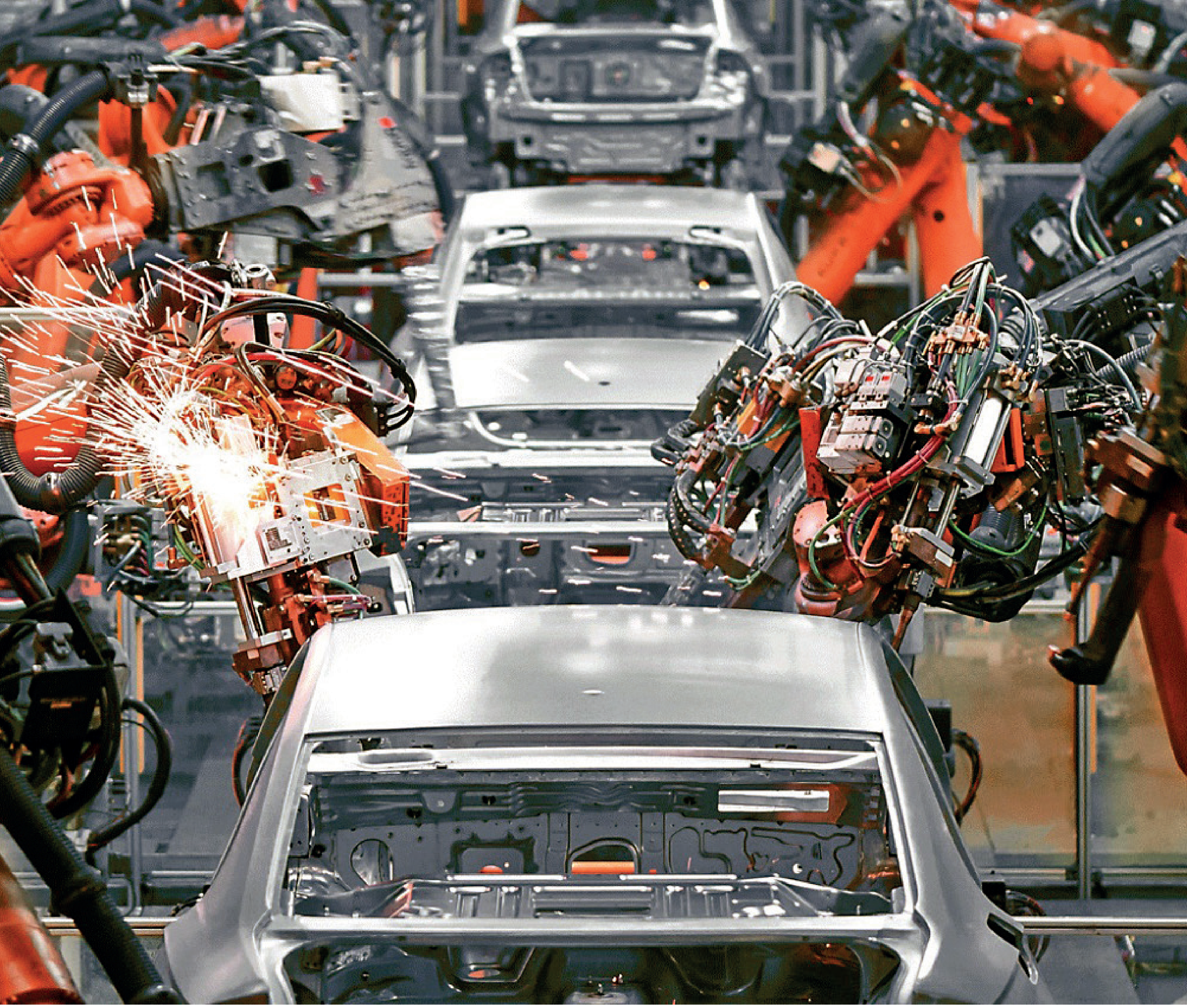
Balanced Portfolio Construction:

Ensure alpha generation is a function of stock selection through a balanced portfolio of companies.

Invest in businesses and consciously avoid market timing, sector rotation or other such top down macro bets.

Understand, monitor, and aim to contain residual factor risks that are by-product of stock selection.

To know more about White Oak and our product offerings, please write to raj.shah@whiteoakindia.com

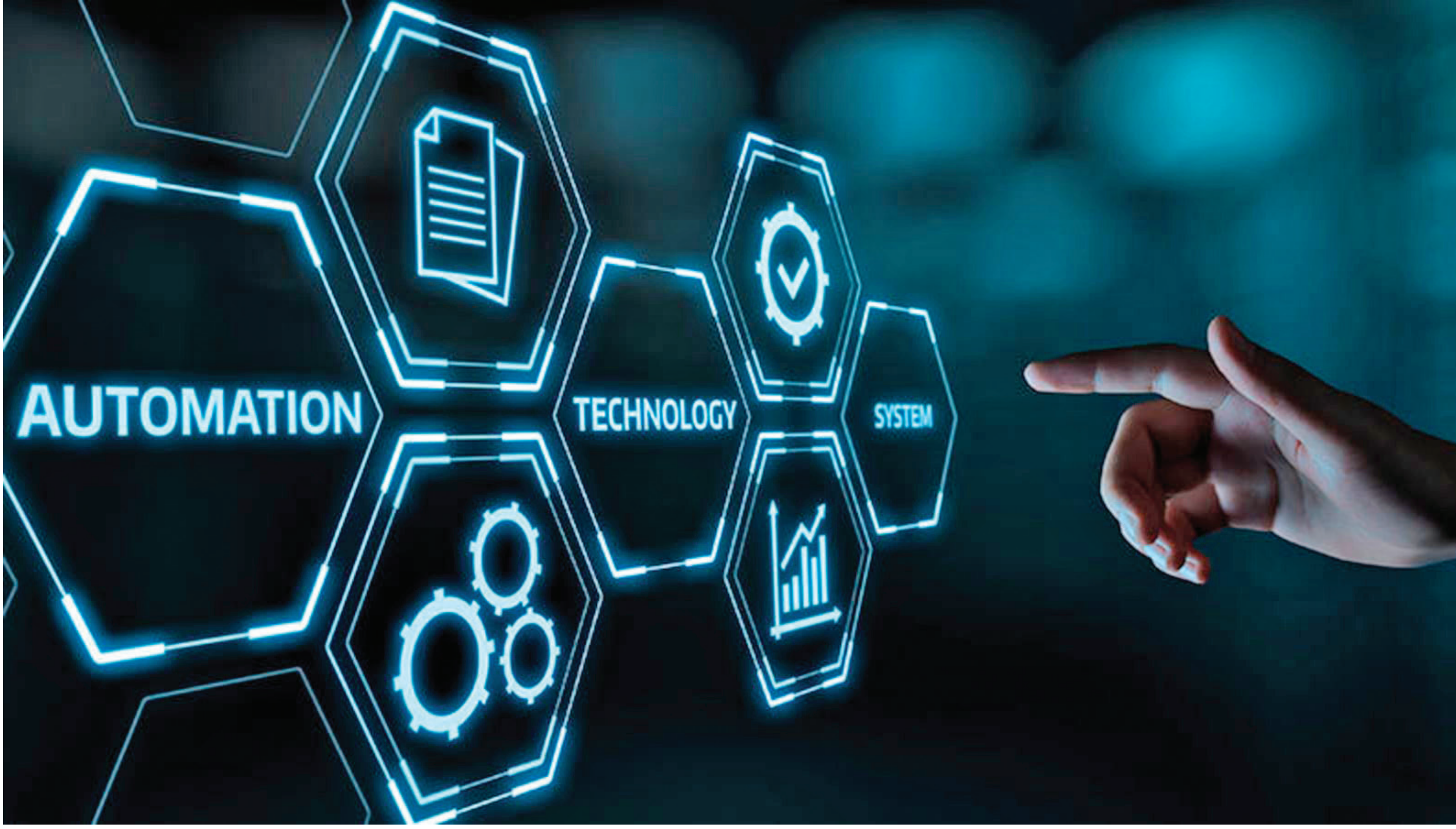


AUTOMOBILES

The automobile sector is a key focus area for India to promote self-sufficiency and reduce dependency on countries like China. Despite the sheer $118 billion market size, 75% of the electronic equipment is imported. Heavy reliance for components like cooling systems, suspensions and engine components accompanied with the non-availability of quality inputs at desirable prices aggravates the trade deficit.

From the PLI scheme, Rs. 57,000 Crore is provided for the industry highlighting the priority that the government gives for Automobiles. The previous Make in India initiative has produced results, in term of FDI's, and an influx of MNC's setting up plants in India, but can India further bolster the industry and has the new initiatives yielded results?

Since the announcement, Toyota Kirloskar Motors has declared an investment of more than Rs 2,000 crore directed towards electrical components. And moreover, Tesla has been in talks with the Karnataka government for setting up an R&D facility in Bangalore. Despite the pandemic, there have been clear positive signs of inclination from automakers towards setting up facilities in India, and considering it's only been 6 months, Atmanirbhar is making on-ground developments.



ROAD AHEAD

Developed economies namely Australia, the EU and Japan have expressed inclination towards opening bilateral dialogues with India, in light of the pandemic, but nothing has been finalised. The steadfastness in striking free trade agreements (FTA) with developed economic centres is crucial for Atmanirbhar to materialise.

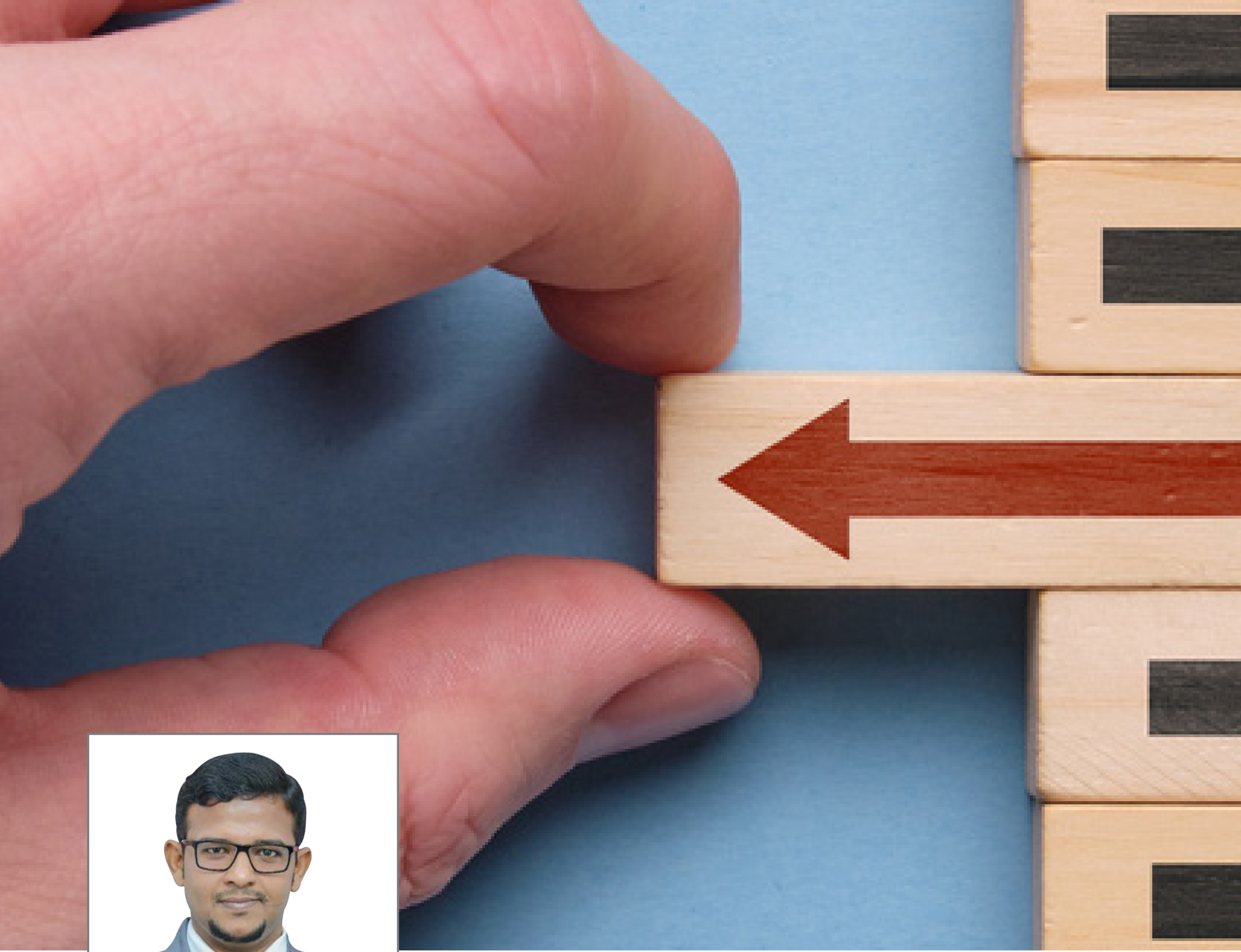
Furthermore, India needs to upgrade its manufacturing dynamics through more automation. With millions of skilled and young engineers, the country needs to utilise this diverse skill set to polish its production lines and supply chains, and infuse automation. Refining the start-up ecosystem is another challenge for the country. Realistically, just like the never-ending negotiations, the processing of documents and approvals is rather crippled due to unknown reasons.

All in all, the recent developments have given a good head-start, however India cannot be at the mercy of anti-china sentiments but also needs to cultivate a pro-India sentiment moving forward.

OTHER SECTORS

With the evolution of hostility towards China and the China Plus One business strategy gaining traction amongst conglomerates. There have been noticeable developments in the manufacturing front. For instance in the Electronics segment renowned global names like Foxconn, Samsung and Pegatron have applied to avail the PLI scheme, forecasting an export value of $100 billion moving forward.

We have witnessed an uptick in manufacturing in the above-discussed sectors and there is momentum when it comes to talks on investment plans. Atmanirbhar has certainly yielded some perceivable outcomes, but what does it take to make this sentiment sustainable?



Daniel GM
Founder - Director
PMS Bazaar

WHY ALTERNATIVE ASSETS ARE BECOMING SO POPULAR

PMS is transparent. Every trade is intimated to the investor and a live portfolio view is available on the managers' website.

Traditionally, investors have looked to equities, bonds and cash instruments as places to put their money. For rich and wealthy investors too, the list was same. But in recent years, extended periods of very low interest rates around the world have left many investors with inadequate returns. Increasing volatility on equity markets has also left many of the more adventurous HNIs shaken. This phenomenon has driven investors towards alternative investments. Along with the possibility of generating reasonable returns for investors, alternative investments such as PMS and AIFs are designed to have low correlation with traditional instruments like the stock market. So when markets tumble, alternative investments tend to remain unaffected and thus provide an additional layer of diversification to a portfolio.

The need to do 'something different' tends to drive wealthy investors to invest. The old-school rules of the stock markets are not catching the attention as much. Why do so many people gravitate toward alternative investments like

PMS and AIF? There are dozens of reasons, many of which are related to a dissatisfaction with the inadequate returns, lack of personalization and low degree of service provided bt traditional like MF.

And yes, Alternative investments offer an ideal way to diversify a portfolio. Even people who want to hold onto the bulk of their traditional investments turn to alternatives as a way to diversity. A "60/40" allocation to stocks and bonds may no longer be enough to meet long-term investment goals --- this many wealthy investors have realized. Alternatives can lower volatility, enhance returns and provide higher levels of stability for a portfolio.

Alternative investments benefits

People who manage their own portfolios on an average buy less of quality and focus more on price, rather than value. This changes when PMS and AIF comes into picture. A professional fund manager seeks out value, and gives a mature touch through their investment strategy.

PMS holdings are isolated and hence not impacted by other investors behavior. Mutual Funds being managed and held as a pool may be at times exposed to vagaries of the sum total behavior of other investors. In PMS every investor influences her/his own buying or selling time and price, there is no impact on other investors' holding or experiences.

PMS is transparent. Every trade is intimated to the investor and a live portfolio view is available on the managers' website. AIF and PMS can be more aggressive and has the potential to generate higher returns. A portfolio manager can choose to have higher exposure as well as hold on to concentrated positions as long as they are delivering growth. PMS and AIF is flexible in terms of expense ratios being transparent and customized. There is also a specific fee structure which can often be customized based on ticket size and profit sharing.

Also, do remember that the structure of AIF can be designed for a particular investment strategy either in terms of exposure in a specific sector or investment in diverse asset classes. This is quite unique in approach and execution.

AIF may raise money from any investor whether Indian, foreign, or of Non-Resident Indian (NRI). This gives them an added dimension, which may not be available in the case of more traditional investment avenues.

Since AIF work a bit like mutual funds, by pooling capital, a larger corpus is pooled together. The accumulated corpus is useful in achieving set investment objectives. Imagine the benefits and advantages of such a massive pool of capital that is intelligently driven towards portfolio objectives.

Nippon India Portfolio Management (Nippon India PMS) is a well-established and trustworthy name in the investment management space. We provide both discretionary portfolio management services and advisory services, to high/ultra-high net worth individuals and institutional investors.

At Nippon India PMS, it is our endeavor, that the investors benefit through our expertise in investment management and robust performance track record. It is backed by our robust investment processes and a highly experienced investment team with rich experience through various cycles of investment.

We focus on identifying superior businesses with healthy cash flows and high operating margins and hold for the long term to allow the power of compounding to work in our favor. Equity investments are proportionate ownership of the business and the attempt is to value a company based on its business model and operating parameters.

Our Investment Philosophy – Public Equities

Nippon India AIF endeavors to create wealth for their investors over a medium to long term period by creating Benchmark Agnostic Concentrated Portfolios of quality stocks, based on fundamental research-driven Bottom-Up stock picking. Nippon India focuses on identifying stocks which may outperform in all market conditions Nippon India's Fundamental Research is conducted through the lens of **"Must 5" Quality framework**"

Exhibit- 1 (Uncompromising focus on quality)

Business Potential	Corporate Governance	Earnings Track Record	Promoters Ownership	Capital Allocation
• Growth Opportunity (Scale) • Sustainable Competitive Advantage	• Treatment of Minority Shareholders • Promoters Track Record • Accounting Red Flags	• Consistent Performance across Business Cycles • Revenues, EBITDA, Profit Growth • Margin Profile • Return of Equity(ROE) • Return on Assets (ROA)	• Equity Dilution • Share Pledge	• Unrelated Diversification • Leverage

The investment methodology of the Fund is intensive research-oriented.

- Identification of stocks is based on rigorous fundamental research
  - Evaluating the prospects of the company
  - Includes meeting with companies, its competitors, customers, suppliers, distributors
  - Quality of management and corporate governance
  - Detailed financial modeling with growth projections
  - External research reports
- Post identification of stocks based on rigorous fundamental research, identify reasonably priced stocks, based on Valuation gap analysis
  - Historical Vs Current valuations
  - Peer Group Valuation
  - Potential Rerating Triggers
- Create the right mix of a portfolio based on risk and time horizon adjusted return.

We focus on companies that

- Consistently delivered superior performance in terms of revenue, profitability & capital efficiency vis a vis its competitors. Usually have high ROCE & high ROE
- Have established leadership in the fiercely competitive Indian market, they can stay nimble and hungry thereby being globally competitive. Many of them go on to become significant players internationally
- Such companies typically generate significant free cash flows consistently over a long period

With strict adherence to our **"Must Five"** Investment Framework, we strive to ensure that most of our portfolio companies have the following fundamental attributes:

- Strong Balance Sheet – High ROE; Low or Negligible Debt,
- Consistent Track Record of Performance across market cycles,
- Competent and Ethical Management team
- Strong Corporate Governance

Current offerings in PMS

High Conviction Equity Portfolio
Salient Features
--Diversified Multi-cap concentrated portfolio of our top 20 to 25 most compelling investment ideas.
--Intensive research-based, bottom-up stock picking approach.
--Focus on India's corporate leaders.
--Buy & Hold view, leading to low churn.

Emerging India Portfolio
Salient Features
--Mid & Small Cap portfolio of high growth emerging businesses
--Benchmark agnostic concentrated portfolio of our top 15 to 25 ideas
--Investments are made with a 3 year plus Buy & Hold view.
-Bottom-up stock picking resulting in a Unique & Differentiated Portfolio.

High Conviction Equity Portfolio (HCEP)		
Top 10 Holdings as on 31st October 2020#		
Sr No.	Security	% Assets
1	HDFC Bank Ltd	6.9%
2	Reliance Industries Ltd	5.8%
3	Navin Flourine International Ltd	5.2%
4	IPCA Laboratories Ltd	5.2%
5	Whirlpool of India Ltd	5.0%
6	Dr Reddys Laboratories Ltd	5.0%
7	Housing Development Finance Corporation Ltd	4.8%
8	Tata Consultancy Services Ltd	4.5%
9	Info Edge (India) Ltd	4.5%
10	Kotak Mahindra Bank Ltd	4.3%

Emerging India Portfolio		
Top 10 Holdings as on 31st October 2020#		
Sr No.	Security	% Assets
1	Aarti Industries Ltd	6.9%
2	IPCA Laboratories Ltd	6.4%
3	Cholamandalam Investment & Finance Company Ltd	6.1%
4	Dr Lal Pathlabs Ltd	5.7%
5	Timken India Ltd	5.5%
6	Relaxo Footwears Ltd	4.4%
7	Jubilant Foodworks Ltd	4.3%
8	AU Small Finance Bank Ltd	4.2%
9	Sudarshan Chemical Industries Ltd	4.1%
10	Whirlpool of India Ltd	4.1%

The current portfolio holdings may or may not be a part of the future portfolio Holdings. All data as of 31st October 2020.

High Conviction Equity Portfolio (HCEP)		
Portfolio Performance as on 31st October 2020*		
Period	Portfolio	NIFTY 500
1 month	-0.3%	2.6%
3 months	4.9%	6.0%
6 Months	15.7%	19.6%
1 Year	6.0%	-1.1%
2 Years	15.0%	4.6%
3 Years	4.1%	1.5%
5 Years	9.3%	7.3%
Since inception date 13/03/2014	15.4%	10.2%

Emerging India Portfolio (EIP)		
Portfolio Performance as on 31st October 2020*		
Period	Portfolio	Nifty Midcap 100
1 month	2.8%	0.5%
3 months	13.9%	10.3%
6 Months	21.0%	26.4%
1 Year	6.4%	1.5%
2 Years	7.7%	-0.4%
3 Years	0.9%	-4.5%
Since inception date 07/04/2017	4.0%	-0.7%

*Returns are computed basis Time Weighted Rate of Return (TWRR)$ including all Fees and Expenses. The performance has been calculated considering all cash holdings and investment in liquid funds. Nifty 500 & Nifty Midcap 100 are the benchmarks of High Conviction Equity Portfolio (HCEP) and Emerging India Portfolio (EIP) respectively. We have aligned our PMS Strategies as Investment Approaches in line with new SEBI regulations. The same has come into effect from 1st October 2020 and above disclosed performance is as per the new Investment Approaches as old PMS Strategies are not available for fresh investments. For the details on segregation of Investment Approaches kindly refer to disclosure document available on the website www.nipponindiapms.com. Details of performance related to your investment is available at https://www.nipponindiapms.com/wealthspectrum/app/login.com/wealthspectrum/app/ login. Performance as on 31st October 2020. Past performance may or may not sustain in the future. The investors are requested to read all the offer documents carefully before investing. $TWRR Method: Time weighted daily valuation method is used for rate of return calculation. Portfolio valuation is done on the date of any external cash flow with daily weighted cash flows. Periodic returns are geometrically linked. Total return includes realized and unrealized gains and income. Calculations are after deduction of transaction charges. Trade date accounting is used for calculations. Accrual accounting is used for fixed income securities. Market values of fixed income securities include accrued income. Accrual accounting is used for dividends as of ex-dividend date.

Prudent Capital Allocation is an important pillar of our "Must 5 Investment Framework". We aim at building Portfolio of High-Quality Companies with NO or NEGLIGIBLE Debt.

We endeavor to build our portfolios, such that most of our portfolio companies display a consistent track record of earnings growth with strong business potential and clean and ethical corporate governance. Being a market leader in their field of operations, most of them have managed to grow their market share in the current scenario, owing to their strong balance sheets, operational efficiencies and moat around the business.

Exhibit 2

Scheme	PBT Growth Q2 FY 21 (YoY)	PAT Growth H1 FY 21 (YoY)	Debt to Equity ratio (ex banks and NBFCs)
High Conviction Equity Portfolio	14.50%	19.10%	0.26
Emerging India Portfolio	35.10%	-7.30%	0.23

Note: Finance Minister had announced the lowering of the base corporate tax rate to 22% from 30% for companies on September 20, 2019. Post the announcement, several companies had done tax adjustment in Q2 FY20. The YoY comparison for Q2Fy21 is getting distorted due to this change. Hence, we are taking Profit Before Tax (PBT) numbers for Q2 FY21 and Profit After Tax (PAT) numbers for H1 since the impact of the tax rate change is neutralized on Half-yearly basis. Being the latest, earning numbers as on 30th September 2020 are considered. Portfolio as on 31st October 2020. The current portfolio holdings may or may not be a part of the future portfolio Holdings. Past performance may or may not be sustained in future. Debt to Equity Ratio of the Portfolio as on 31st October 2020.

Key features of Nippon India PMS investment approaches tabulated in Exhibit 3

Exhibit 3

Parameter	High Conviction Equity Portfolio	Emerging India Portfolio
Investment Objective	The Portfolio Manager aims to generate outsize returns over 3 -5 years, through a diversified multi-cap portfolio out of the top 20-25 most compelling investment ideas. The Portfolio may also have a large allocation to cash and Money Market Instruments/funds as an investment tool.	The objective of the Portfolio is to deliver superior returns by participating in India's growth story through a focused portfolio of high growth emerging businesses that are existing / potential leaders in their field of operations. The Portfolio would endeavor to generate capital appreciation by investing primarily in mid-cap and small-cap stocks. The Portfolio may also have an allocation to cash and Money Market Instruments/funds as an investment tool.
Category	Multi-Cap	Mid & Small Cap
Type of Securities	The portfolio will invest in listed equity and equity-related instruments. The portfolio can have some exposure to debt instruments including Money Market Instruments, units of the mutual fund including fixed deposits, or any other securities as may be specified by SEBI from time to time.	The portfolio will invest in listed equity and equity-related instruments. The portfolio can have some exposure to debt instruments including Money Market Instruments, units of mutual funds, fixed deposits, or any other Securities as may be specified by SEBI from time to time.
Basis of Selection	Listed equity and equity-related instruments will be selected basis the in-house proprietary research carried out by the portfolio management team, in accordance with the investment objective of the Portfolio. Debt instruments will be typically used for temporary parking of Funds pending deployment in market wherein liquidity and safety will be primary basis for selection.	Listed equity and equity-related instruments will be selected basis the in-house proprietary research carried out by the portfolio management team, in accordance with the investment objective of the Portfolio. Debt instruments will be typically used for temporary parking of Funds pending deployment in the market wherein liquidity and safety will be the primary basis for selection.
Allocation	Equity & Equity related Instruments: 70%-100% Debt Instruments: 0-30%	Equity & Equity related Instruments: 70%-100% Debt Instruments: 0-30%
Benchmark and basis for the choice of benchmark	Nifty 500; The Portfolio Manager intends to invest in listed equity and equity-related instruments across market capitalization i.e. Large Cap, Mid Cap, Small & Microcap stocks. Hence the broader benchmark of NIFTY 500 will be an appropriate choice to compare the performance.	Nifty Midcap 100; The Portfolio Manager would endeavor to generate capital appreciation by investing primarily in mid-cap and small-cap stocks. Hence benchmark of Nifty Midcap 100 index will be an appropriate choice to compare the performance.
Investment Horizon	Indicative investment horizon: Ideal investment horizon for any equity investment should be long term in nature for compounding to work for the Client. However, the indicative investment horizon for the High Conviction Equity Portfolio should be at least 3 years.	Indicative investment horizon: Ideal investment horizon for any equity investment should be long term in nature for compounding to work for the Client. However, the indicative investment horizon for the High Conviction Equity Portfolio should be at least 3 years.

Risk associated with the Investment Approach

High Conviction Equity Portfolio

(i) Since the Portfolio also seeks to invest in mid-cap and small-cap stocks, it is riskier than a large-cap portfolio that invests mostly in large companies. In a robust economic environment, the Portfolio Managers managing a multi-cap approach can increase their exposure to mid and small-sized companies to benefit from earnings. The Portfolio Manager can also choose to move investor money from shares of mid-cap companies to large-cap companies to take a shelter when it expects prolonged down periods. Hence investors may expect volatility in this investment approach.

(ii) The Portfolio may have some exposure to midcap, small-cap & micro-cap stocks which tend to be relatively more illiquid and volatile vis-a-vis large-cap stocks. To extent of such exposure, the Portfolio in a falling market for a short period will tend to be highly volatile.

Kindly refer to the Disclosure Document for a detailed statement on risks associated with the Investment Approach and Other Risks.

Emerging India Portfolio

(i) The stocks in the portfolio are relatively illiquid and more volatile as compared to large-cap stocks. Due to these limitations in a falling market for a short period, there is an inherent risk of high volatility in prices of such stocks as investors sell them and invest in large-cap stocks.
Kindly refer to the Disclosure Document for a detailed statement on risks associated with the Investment Approach and Other Risks.

Important Disclosure

- Investors can directly invest / participate in the portfolio. Should the investor decide to invest directly, the investor should carefully read the entire disclosure document and other offerings documents prior to making an Investment.

- The performance related information provided here in is not verified by SEBI.

- The investors are requested to note that there is no material impact on investor portfolio and performance, on account of alignment of PMS strategies as investment approach in line with new SEBI regulation.

Financial Year Performance of the Nippon India PMS offerings tabulated in Exhibit 4

Exhibit- 4

High Conviction Equity Portfolio

Financial Year Performance Snap Shot *

Period	Portfolio	Nifty 500
FY 20-21 YTD##	33.9	36.9
FY 19-20	-13.9	-27.6
FY 18-19	5.2	8.4
FY 17-18	4.4	11.5
FY 16-17	34.2	23.9
FY 15-16	-4.3	-7.5
FY 14-15	54.7	33.6

*Returns are computed basis Time Weighted Rate of Return (TWRR)$ including all Fees and Expenses. The performance has been calculated considering all cash holdings and investment in liquid funds. Nifty 500 is the benchmark. For the details on segregation of Investment Approaches kindly refer to disclosure document.

CY 20-21 YTD is as on 31st October 2020. Past performance may or may not sustain in the future. The investors are requested to read all the offer documents carefully before investing.

$TWRR Method: Time weighted daily valuation method is used for rate of return calculation. Portfolio valuation is done on the date of any external cash flow with daily weighted cash flows. Periodic returns are geometrically linked. Total return includes realized and unrealized gains and income. Calculations are after deduction of transaction charges. Trade date accounting is used for calculations. Accrual accounting is used for fixed income securities. Market values of fixed income securities include accrued income. Accrual accounting is used for dividends as of ex-dividend date.

Emerging India Portfolio

Financial Year Performance Snap Shot *

Period	Portfolio	Nifty Midcap 100
FY 20-21 YTD##	32.7	45.8
FY 19-20	-19.8	-35.9
FY 18-19	-0.6	-2.7
FY 17-18~	8.7	7.4

*Returns are computed basis Time Weighted Rate of Return (TWRR)$ including all Fees and Expenses. The performance has been calculated considering all cash holdings and investment in liquid funds. Nifty Midcap 100 is the benchmark. For the details on segregation of Investment Approaches kindly refer to disclosure document.

~For FY17-18 performance is Since Inception of the fund i.e. 7th April 2017.

CY 20-21 YTD is as on 31st October 2020. Past performance may or may not sustain in the future. The investors are requested to read all the offer documents carefully before investing.

$TWRR Method: Time weighted daily valuation method is used for rate of return calculation. Portfolio valuation is done on the date of any external cash flow with daily weighted cash flows. Periodic returns are geometrically linked. Total return includes realized and unrealized gains and income. Calculations are after deduction of transaction charges. Trade date accounting is used for calculations. Accrual accounting is used for fixed income securities. Market values of fixed income securities include accrued income. Accrual accounting is used for dividends as of ex-dividend date.

Disclaimer:

This information is meant for general reading purposes only and is not meant to serve as a professional guide for the readers. Certain factual and statistical (both historical and projected) industry and market data and other information was obtained by Nippon Life India Asset Management Limited (NAM India) (Formerly known as Reliance Nippon Life Asset Management Limited (RNAM)) from independent, third-party sources that it deems to be reliable, some of which have been cited above. However, NAM India has not independently verified any of such data or other information, or the reasonableness of the assumptions upon which such data and other information was based, and there can be no assurance as to the accuracy of such data and other information. Further, many of the statements and assertions contained in these materials reflect the belief of NAM India, which belief may be based in whole or in part on such data and other information.

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Nippon Life India Asset Management Limited (NAM India) (Formerly known as Reliance Nippon Life Asset Management Limited (RNAM)) is registered with Securities & Exchange Board of India as a Portfolio Manager vide Registration Number INP000007085 having registered office and corporate office at 4th Floor, Tower A, Peninsula Business Park, Ganapatrao Kadam Marg, Lower Parel (W), Mumbai 400013.

Reach us at pms@nipponindiaamc.com | Call on 022-68087000 | Visit us at www.nipponindiapms.com

Exclusive Interview with Fund Manager

Mr. Trideep Bhattacharya
Senior Portfolio Manager
Alternative Equities - Axis AMC

Can you tell us what differentiates your strategy compared to other multicap offerings in the market?

One of the unique features of Axis Brand Equity Portfolio is that leverages “Brands” as a theme for wealth creation in a focussed manner. We believe India is in a similar position today as South Korea was in 1990s or US was in 1970/80s, where in, adoption of brands accelerated significantly during those times. We expect the same to happen in India over the next 5-10 years.

Also, recent reforms like de-monetization, labour and GST reforms are likely to provide further impetus to this trend going forward. On net balance, we view “Brands” as significant beneficiaries of these trends in general and our Axis Brand Equity Portfolio is likely to be a big beneficiary of this from equity market perspective.

Can you briefly explain the investment philosophy/strategy and the portfolio construction process?

At Axis, we believe process creates repeatable success. For Axis Brand Equity portfolio, our process centers around a mix of qualitative and quantitative processes to create a compact portfolio of 25-30 stocks.

While the first level of filters is focused on investments made by the companies in creating a brand for itself in the market-place and is quantitative in nature, the second level of analysis involves qualitative analysis to get to our margin-og-safety on a stock-by-stock basis.

In this way, we are able to distill the competitive advantage in the form of brands to a robust portfolio aimed for wealth creation for our investors.

Does your portfolio have a bias towards any particular sector or towards stocks within specific market capitalizations?

Our portfolio is created on a bottom-up basis, is multi-cap in nature and is an eclectic mix of emerging brands, established brands and turn-around brands. It is well spread across B2C as well as B2B companies.

We define emerging brands as companies that are in the first / early stage of growth and are looking to make their mark in their respective category, an established brand is defined as a company which has acquired a stellar reputation and is a market leader in its core segment and a turnaround brand is defined as a brand which has fallen off from its projected growth trajectory and is looking to make a comeback.

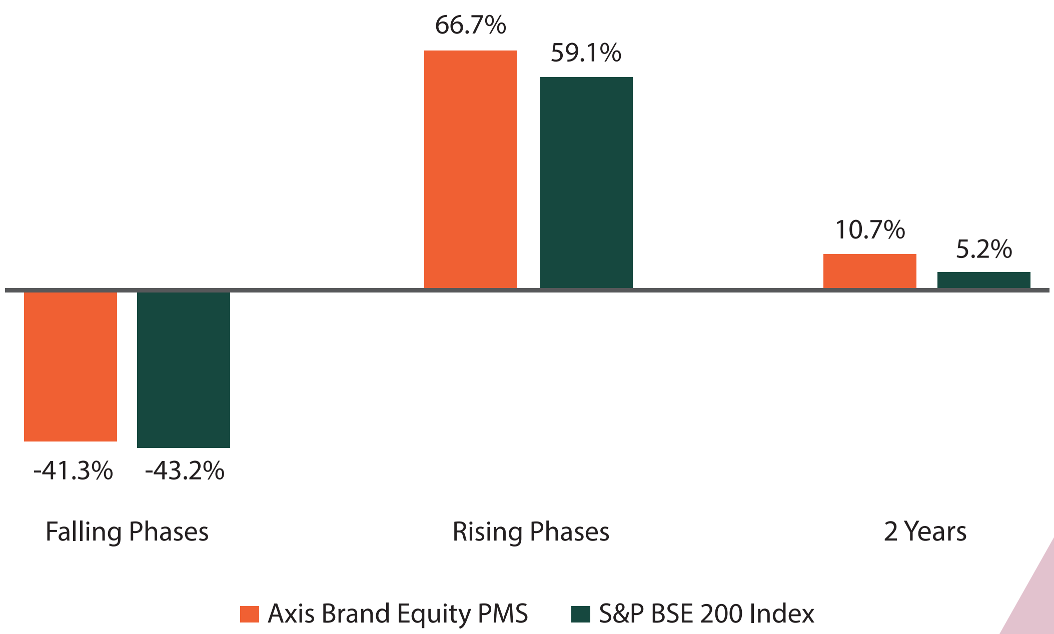
On net balance, we tend to prefer companies which have a strong balance sheet, superior risk ratios and has a capable management in place. Also, from an investing standpoint, we like to consider a mix of growth and value as we try and achieve a fine balance between the price we pay and the size of the growth opportunity available.

How have brands performed in the sluggish economy in the past few years? What has been the rub-off effect on the portfolio performance?

At a time when the economy has witnessed sluggish growth, brands, in general, have gained market-share during the last few years at the expense of the unorganised sector. This has happened on the back of timely and customer focused innovation which has propelled growth during an uncertain economic environment. Within sectors too, strong brands have become stronger which has led to sector consolidation during these times. The rub-off effect of this has transpired into consistent earnings delivery coupled with market share gains. This will enable these brands to deliver relative outperformance for long periods of time.

In which markets do you expect your strategy to perform best/worst, do you expect your strategy to provide downside protection in bear markets?

The gain in market-share of brands, as established in last section, resulted in robust growth rates, profitability and return ratios during tough times. We reckon this has led to strongly co-related out-performance of their listed stocks, particularly in volatile markets. In other words, as highlighted in the chart below, Axis Brand Equity Portfolio's out-performance in falling markets over last 2 years can be attributed to the "market-share gain" hypothesis of brands over competition that we established in the last section. This has an extremely important bearing on wealth creation over long term in our view. By falling less during market downturns, the journey towards wealth creation becomes easier, as the portfolio of brands limits relative downside but also ensures significant participation during market rallies as highlighted in the chart. We call it the philosophy of wealth preservation near-term leads to superior wealth creation in long-term.



ICICI Prudential
Portfolio Management Services

Importance of Theme Rotation In Investing

In the various phases of a market cycle, investment themes can either be dormant or dominant. At ICICI Prudential PMS, we believe that alpha can be created by riding dominant themes. Under certain PMS Strategies, our aim is to adopt a thematic investing approach, which seeks to identify stocks that are likely to benefit from a particular trend.

Taking active sectors calls can help participate in those sectors of the market that may experience favourable conditions while avoiding those sectors that are likely to come under stress. Knowledge of business cycles and the impact of economic cycles on specific sectors can help to generate alpha over the benchmark by being overweight or underweight towards a sector.

Thus, if the Portfolio Manager believes a sector has the potential to outperform, being overweight on the sector vis-a-vis the benchmark can help generate a higher return versus the benchmark. This forms the fourth criteria of the Core 4 Investment Framework, which focuses on Quality of Business, Valuations, Sentiments and Themes.

In the first part of the investment framework we aim to focus on companies with established business models, having low leverage and which are believed to be able to generate sustainable cash flows. An internal study of past market cycles have shown that companies with lower debt have been able to negotiate a crisis better and in some cases have been able to recover faster.

In line with our framework, valuations are equally important, because if one does not buy it at the right price, the entire analysis will likely to be futile. Market events both domestic and global, can easily spark a change in sentiments. Thus, one of the best times to invest is when the sentiments are considered to be unfavourable or seem to be at a turning point.

Further, as mentioned above, portfolios being overweight on dominant themes have the potential to capture a market upside. This core investment philosophy has not only helped to ride through turbulent markets in the past, but it has also helped to negotiate the recent market volatility as well.

ABOUT

ICICI PRUDENTIAL AMC LTD

ICICI Prudential AMC Ltd (the AMC) is focused on bridging the gap between savings & investments and creating long-term wealth for investors. The AMC enjoys a rich parentage of two large organisations: ICICI Bank Ltd, a well-known and trusted name in financial services in India, and Prudential Plc, one of UK's largest players in the financial services sectors.

Prudential Plc. is not affiliated in any manner with Prudential Financial, Inc., a company whose principal place of business is in the United States of America or with the Prudential Assurance Company, a subsidiary of M&G plc, a company incorporated in United Kingdom

THE CORE-4 FRAMEWORK

1. QUALITY OF BUSINESS

- Businesses generating sustainable free cash flows
- Quality corporate governance and capital allocation track record
- High Return Ratios and Good Cash Conversion Cycle

2. SENTIMENTS

- Building positions in businesses when sentiments are unfavourable
- Market Sentiments, Sector Sentiments etc.

3. VALUATIONS

- Buying Quality Business at fair prices
- Valuation parameters like P/E, PEG, P/B, Net Debt/EBITDA levels

4. THEMES

- Sector Selection/Rotation based on Macro-Economic parameters
- Impact of Government Actions / Regulatory changes

The aforesaid factors/framework are only indicative. There may be other factors that may be relevant for identification/ selection of stocks.

The core 4 framework/selection criteria's mentioned above for the Strategy are only indicative. There may be other factors that may be relevant for identification/ selection of stocks. Past performance may or may not be sustained in future.

ICICI PRUDENTIAL PMS CONTRA STRATEGY

ICICI Prudential PMS Contra Strategy (the Strategy) aims to provide long-term capital appreciation and generate returns by investing in underperforming stocks or sectors, which are available at reasonable valuations and are expected to perform well in the long run. Active sector rotation has helped to benefit the Strategy.

Any change in stock price due to greed or fear in a fundamentally strong company, we must aim to take benefit of the change in sentiment in our favour, which is essentially going against the herd mentality of market this seems to have worked well for us and has led to the genesis of ICICI Prudential PMS Contra Strategy.

Given the tough market environment and the polarization of returns to large caps over the past year or so, the Strategy aimed to find opportunities in such a divergent market environment. In fact, the volatility across sectors, which led to an overreaction, offered pockets of opportunities to take potential contrarian calls.

Prior to the market fall in March 2020, the portfolio was underweight on Banks & Finance and overweight on Consumer and Pharma stocks, this helped to limit the downside and helped to contribute to the returns. Once the market began to recover led by pharmaceutical stocks, the Portfolio Manager trimmed the exposure to Pharma and increased weights to Bank & Finance, which was among the laggards at that time. This dynamic weight management has helped the Strategy and as a result, the Strategy has returned 40.4% vs the benchmark S&P BSE 200 return of 36.0% in the recovery period from 31 March 2020 to 31 October 2020.

Investment Objective

The Strategy seeks to generate capital appreciation by investing predominantly in equity and equity related instruments through contrarian investing.

Basis for selection of securities:

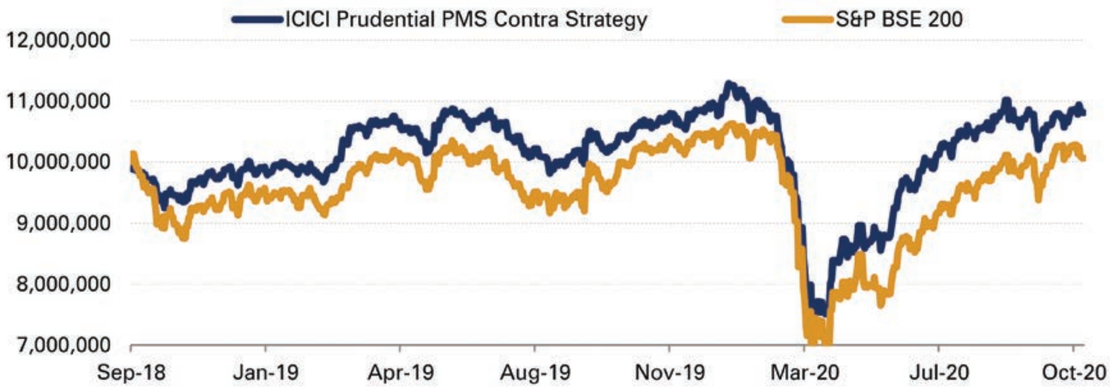
The Portfolio Manager follows 'Contra' style of investing which involves taking contradictory bets on equity stocks i.e. taking calls/exposure on underperforming stocks which are currently not in favour in the market but are expected to do well in the long run. The Portfolio Manager may also select stocks of companies in sectors where entry barriers are high, sectors in consolidation or of companies in special situation.

Return Vs Benchmark

Period	Portfolio (%)	S&P BSE 200 (%)
1 Months	2.92	2.69
6 Months	20.62	18.59
1 Year	2.20	-1.48
SI^	3.72	0.28

Index Data Source: BSE. Returns less than 1 yr are absolute, while returns more than one year are on annualized basis. Past performance may or may not be sustained in future. The performance mentioned above is the aggregate performance of all clients in the Strategy using the Time Weighted Rate of Return (TWRR) methodology and the performance of an individual clients may vary significantly from the above. All the returns calculated above are after deduction of the applicable expenses. ^SI- Since Inception - Date of onboarding of first client in the Strategy: September 14, 2018

Performance of ICICI Prudential PMS Contra Strategy (Rs 10mn Invested)



Source for Index return: BSE. Past performance may or may not be sustained in future. The portfolio performance mentioned above is the aggregate performance of all clients using the Time Weighted Rate of Return (TWRR) methodology and the performance of individual clients may vary significantly from the above. Inception date is the date of onboarding of first client in the Strategy: September 14, 2018

Investor's may note that the entity level performance of the Portfolio Manager is disclosed in the Disclosure Document and the same is available on the website of Portfolio Manager - www.iciciprupms.com. The details pertaining to the investment approach mentioned herein is a subset of details specified in the Disclosure Document. Kindly refer the Disclosure Document for the detailed investment approach, including specific risk factors, before investing. The portfolio data and the statistical analysis mentioned above is of the oldest client of the Strategy. The portfolio of individual clients may vary significantly. The sector(s)/stock(s) mentioned here do not constitute any recommendation and the strategy may or may not have any future positions in these stock(s)/Sector(s). Performance data provided herein is not verified by SEBI.
Investor's may invest with us directly as well. To invest in any of our PMS strategies directly, kindly write to us at PMS@icicipruamc.com

Risk Factors and Disclaimers For information pertaining to Portfolio Management Services -

Investing in securities involves certain risks and considerations associated generally with making investments in securities. The value of the portfolio investments may be affected generally by factors affecting financial markets, such as price and volume, volatility in interest rates, currency exchange rates, changes in regulatory and administrative policies of the Government or any other appropriate authority (including tax laws) or other political and economic developments. Consequently, there can be no assurance that the objective of the Strategy would be achieved. The value of the portfolios may fluctuate and can go up or down

All data/information used in the preparation of this material is dated and may or may not be relevant any time after the issuance of this material. The Portfolio Manager/ the AMC takes no responsibility of updating any data/information in this material from time to time. The Portfolio Manager/ the AMC (including its affiliates), and any of its officers directors, personnel and employees, shall not liable for any loss, damage of any nature, including but not limited to direct, indirect, punitive, exemplary, consequential, as also any loss of profit in any way arising from the use of this material in any manner. The composition of the portfolio is subject to changes within the provisions of the disclosure document.

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www.helioscapital.in

Helios India

Helios Capital Management India LLP ("Helios India") is a subsidiary of Helios Capital Management Pte. Ltd. ("Helios Singapore"). Helios Singapore currently manages an India focused long/short fund and a globally focused long only fund.

Helios Investment Philosophy

We believe that strong and consistent portfolio returns come from both strong stock selection and careful portfolio construction. Building a robust portfolio requires answering 4 fundamental questions:

(a) What stocks to buy?

Our preferred investment themes are characterized by "Non-zero-sum competition".

Theme 1
Compete with govt owned companies

Theme 2
Demographic/lifestyle changes (primarily urban under-penetration)

Theme 3
Factor Cost Advantage (Information Technology/Pharmaceuticals/Speciality Chemicals etc.)

We may own stocks that do not neatly fit our favoured themes if they offer exceptional value, trigger or some other fundamental reasons for owning.

We start our analysis by "Why not to buy the stock" and use a number of factors to try and reject owning the stock. Exhaustive checklist that we use for rejection fall under 7 major headings: 1) Theme/ Industry dynamics 2) potential for disruption 3) management history, corporate strengths and strategy, (4) corporate governance, (5) financial performance & analysis, (6) medium-term triggers and (7) valuation.

Stocks may be rejected permanently ("we will never buy") or temporarily ("we will not buy for now"). Stocks may be rejected for even one negative sub-factor. Stocks that "cannot be easily rejected on any factor" are further researched to arrive at "to OWN list"

(b) What time horizon to have?

We believe that the sweet spot for initial investing horizon is 1 to 3 years for one can more easily analyse a company, its external environment and current management and strategy while remaining flexible if the original thesis does not play out as per plan. If a company continues to do well there is no reason to sell and one can simply continue to hold the stock on the basis of another 1 to 3-year analysis and so on.

(c) How many stocks to buy?

A robust portfolio needs to have 2 kinds of stocks:

Stocks that offer "*high confidence in reasonable returns*":

This group has higher quality, consistently performing companies with clear strengths, significant size of opportunity and high visibility of earnings.

(We aim to have 50% of our portfolio in such companies approximating 5% per name=> 10 holdings)

Stocks that offer "*reasonable confidence in high returns*":

This group comprises of companies where we expect higher returns from a combination of earlier discovery (or re-discovery) of stock and re-rating of company if it delivers on our expectations.

(We aim to have 50% of our portfolio in such names with weight of 2 to 2.5% per name=> 20 to 25 holdings)

(d)When to sell?

Reasons for trimming/selling stocks may be (absolute or relative) fundamental, stretched valuations or risk control.

Helios India Rising PMS

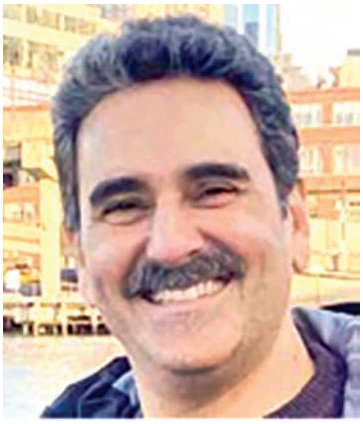
Strategy	:	Indian equities- long only, multi-cap;
Benchmark	:	NSE 500 Index
Fund Manager	:	Dinshaw Irani
Inception Date	:	Launched on March 16th, 2020. Started gradually investing from May 8th, 2020; by May 31st , 2020: 30.4%, by June 30th, 2020.: 81.5% Current exposure as of Oct 31st, 2020 (for non- STP investors) is 98.9% Due to large number of STP (Systematic Transfer Plan) investors, firmwide cash is 19.8% that affects firm level TWRR

Performance

	Firm Level TWRR #	Day 1 Inverstor▲	NSE 500 Index*
1 Month	2.1%	2.9%	2.7%
3 Months	8.0%	9.7%	6.4%
6 Months	21.6%	24.4%	20.5%
Since Inception	21.9%	24.5%	18.6%

Data as of Oct 31, 2020. # Performance numbers are and expenses (TWRR). Inception data 16th Mar 2020. ▲ Performance numbers of Day 1 investor is net of full management fees at 2.5% and expenses (TWRR). * Index returns are including dividends. Source: Bloombergdata

Dinshaw Irani has India related investment experience of 28years (at Helios India (& Artemis Advisors- exclusive advisors to Helios Singapore): 16 years).Before joining Artemis Advisors in 2005, Dinshaw worked as Principal Portfolio Manager at SSKI Portfolio Advisors. Prior to SSKI, Dinshaw was Vice President and Analyst - Asian Emerging Markets at Alliance Capital Management, where he covered Indian and Asian Emerging Markets (China, Korea, Taiwan etc.) He has also worked as an Analyst at Sun F&C Asset Management. Dinshaw has an MBA from I.R.M.A.



DINSHAW IRANI
CIO & Fund Manager
Helios Capital (India)

SIMPLE YET EFFECTIVE

In his book 'What is mind?' Abhijit Naskar, bestselling author and one of the world's celebrated neuroscientists offers a fascinating account of the cellular building blocks of mind.

He asks,"You know what is the most complicated feature of human nature? It is the term complication itself. We are never satisfied with keeping things simple. We always tend to exaggerate even the simplest phenomenon of this planet."

Investing in equities is one area where human mind seeks out the most complex theories – as if it were an unsolved problem.

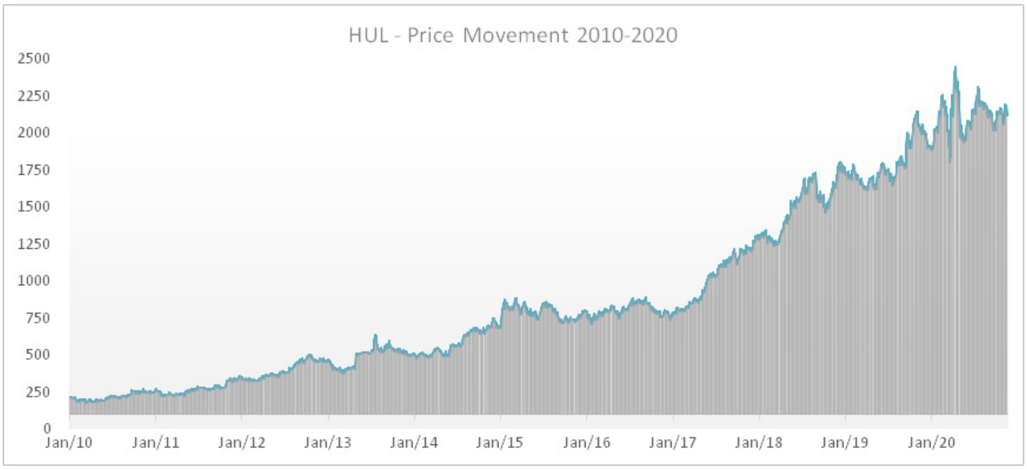
I shall list, some obvious and some not so obvious ways, in which, this bias plays a havoc.

1. Aversion to own 'Known Names' or 'Common Names'

Where is the research in owning the index heavyweight? Why should I even pay fees for this? Portfolio managers are often asked these questions when their portfolios own 'Known Names'. One more belief which leads to this aversion is the thought that 'Is'nt everything already captured in the price?' syndrome. Investing based on price movement and price bands alone can be detrimental.

Let me illustrate this with an example

Price Range	No. of days
150-250	281
250-350	271
350-450	181
450-550	335
550-650	85
650-750	153
750-850	409
850-950	102
950-1050	35
1050-1150	48
1150-1250	66
1250-1350	75
1350-1450	22
1450-1550	47
1550-1650	82
1650-1750	140
1750-1850	64
1850-1950	32
1950-2050	74
2050-2150	103
2150-2250	60
2250-2350	16
2350-2450	4



Source: Yahoo Finance and MOAMC Internal research

HUL stock spice has witnessed long periods of consolidation – often giving an impression that all news is priced in. Between Aug-14 and May-17 the stock delivered a price performance of 15% after spending considerable time (407 days) in Rs. 750-850 price band. And just as investors feel they have waited enough for the stock to break a level convincingly - the stock delivers a stellar 25.7% CAGR in the following 3 years compared to a 9.1% CAGR for the Nifty 50.

	17-05-2017	23-11-2020	CAGR
Nifty 50	9525.8	12926.5	9.1%
HUL Share Price	952.0	2129.4	25.7%

Source – NSE Indices and MOAMC Internal

Known/common names or otherwise – stock selection should be done based on their individual merit.

2.Knowing Versus Doing

It is well known fact that one should own steady compounders like HDFC Bank. How many investors – including the high net worth investors - actually end up owning them, in sizable quantities, for a long term and have actually benefited from the resultant compounding? The not so popular answer is - very few. This is because knowing something is not the same as doing it. A simple parallel in daily life : we all know that to maintain a good physique one requires to follow a simple two-step process – i) eat right and ii) exercise daily. However does knowing this translate into doing? It rarely does.

Owning multi-year compounders is difficult in practice – because it is way too simple.

The other problem is there are no research reports written for individual investors – who want to own multi-year compounders. A sell side research report has a definite shelf life – mostly a year and is tailored to a specific audience to serve a specific purpose.

Hence, knowing in not enough; acting is putting the knowledge to good use.

3. Ownership by default v/s ownership by design

Individual investors get anchored to their purchase price – and rarely show the courage to cut losses. Cutting laggards in a portfolio is just as important as is selecting winners. Failing to do this – one ends up owning a lot of unworthy stocks – by default – not by design – waiting to see the purchase price again.

A study of the retail ownership pattern of Yes Bank stock is quite revealing. In the six month period between June and December 2019 the retail shareholding in Yes Bank increased from 29% to 62%. In the same period the institutional ownership declined from 50% to 29% - also clearly highlighting the fact that institutional money is far less emotional.

Yes Bank	Jun-19	Sep-19	Dec-19
Promoter	19.8%	13.1%	8.3%
Institutional	50.7%	45.8%	29.4%
Retail	29.5%	41.1%	62.3%

Source: Trndlyne and official disclosures www.Yesbank.in

Investors would do well to be long-term by design and not by default.

The Lure for an 'Exotic Idea'

An often repeated question which we investment professionals encounter is 'Tell me one stock that I should own'. Now, you better have an'exotic' idea ready – else you run the risk of being scoffed at or worse still – be discarded as a novice.A well-known, steadily growing company in a high growth sector rarely sounds 'exotic' enough.

Since the inherent lure is to seek a complex answer, it is quite natural that the seeker will abhor simplicity.

At such junctures it is important to note that complex is not necessarily superior and simple need not be inferior.

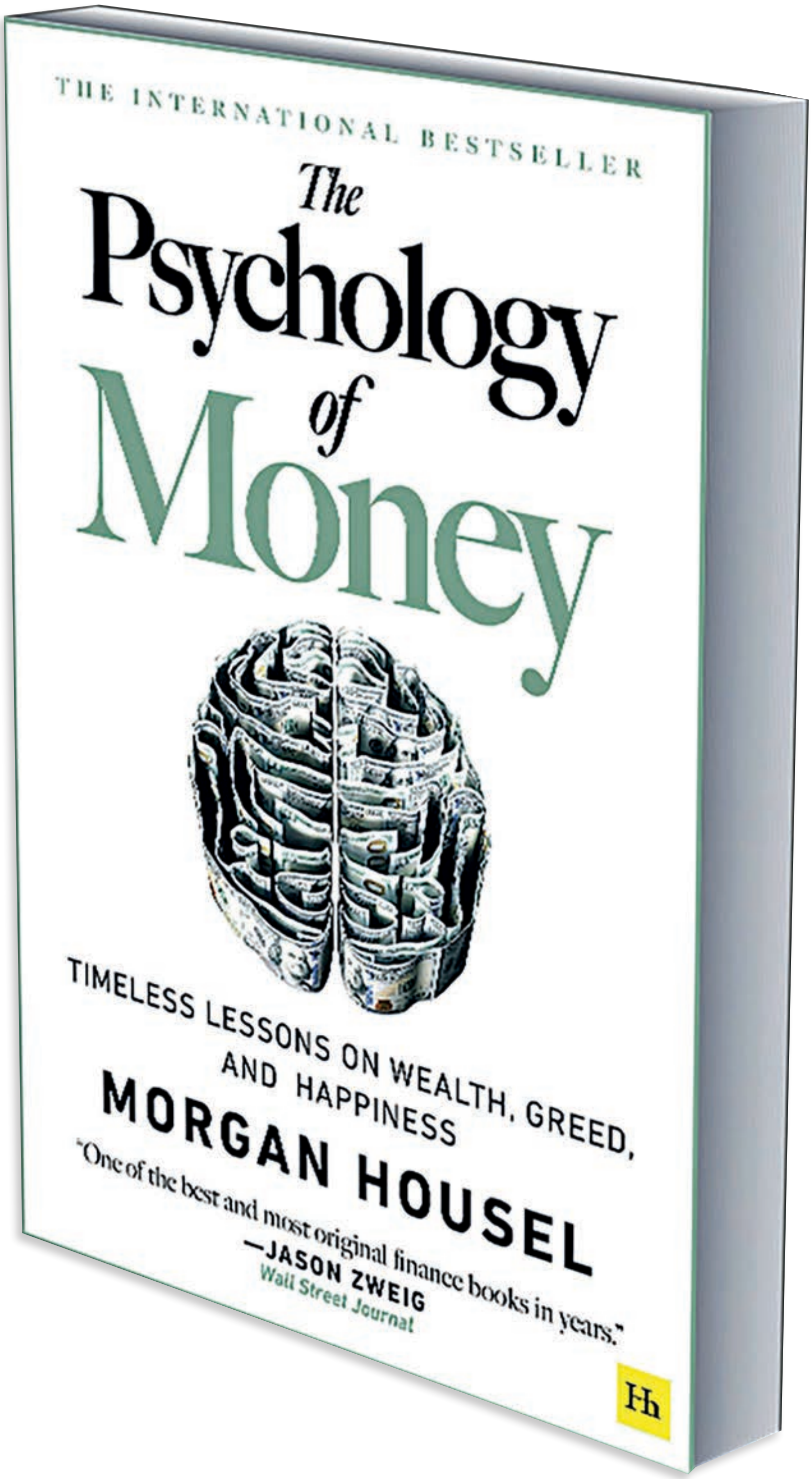
In Summary:

The Cambridge Dictionary defines complexity as "the state of having many parts and being difficult to understand or find an answer to." The definition of simplicity is the inverse: "something [that] is easy to understand or do."

The Business Opportunities Portfolio offered by Motilal Oswal Asset Management Company is a simple portfolio of 15 high quality, known stocks. The last 5 year weighted average Return on Equity (ROE) for the portfolio was 23% and a high double digit consensus 3 year forward Earnings Per Share growth estimate. The portfolio has delivered a return of 16.2% in the last 2 years versus 10.7% delivered by Nifty, its benchmark, a healthy alpha of 5.5%. Simple yet effective.

The Psychology of Money

by Morgan Housel (2020) | ISBN 978-93-90166-27-5



No matter how hard you try, you can never stop yourself from making the mistake of understanding the idea of money in a purely emotionless manner. And, that is why, for reasons well know, it is said that "Some people are so poor that all they have is money"!

In a very pithy and pious manner, Morgan Housel, a partner at The Collaborative Fund, talks turkey to his readers, when he states, ″Money is everywhere, it affects all of us, and confuses most of us. Everyone thinks about it a little differently. It offers lessons on things that apply to many areas of life, like risk, confidence, and happiness. Few topics offer a more powerful magnifying glass that helps explain why people behave the way they do than money. It is one of the greatest shows on Earth″. Replete with lots of real-life incidents, anecdotes, wise quotes and his good-natured advice, Housel decries the thought that human are always rational, balanced, logical and coherent in their conduct. It is never so, as the author reveals again and again the foils of a fogged up mind, as in the cases of why poor people buy lottery or even in the cases of why ethical millionaires would resort to disreputable ways just to join the billionaire clubs.

With a well-thought out structure for The Psychology of Money, which is definitely a well titled and appropriately labeled book, Housel divides it into 20 to-the-point chapters. These chapters can also be read independently, like the one on "Wealth is What You Don't See" (Chapter 9). You may like to read a taster: ″We tend to judge wealth by what we see, because that's the information we have in front of us. We can't see people's bank accounts or brokerage statements. So we rely on outward appearances to gauge financial success. Cars. Homes. Instagram photos. Modern capitalism makes helping people fake it until they make it a cherished industry. But the truth is that wealth is what you don't see. Wealth is the nice cars not purchased. The diamonds not bought. The watches not worn, the clothes forgone and the first-class upgrade declined. Wealth is financial assets that haven't yet been converted into the stuff you see. That's not how we think about wealth, because you can't contextualize what you can't see". Sometimes he take a dig at us, and sometimes he is genuine is his counsel. Sometimes it is a bitter warning, and sometimes it is a gentle admonition. In all, reading this book is an experience itself, not for its stiff content, but for its unadulterated manner of influencing our perceptions about money.

Let me share a few thoughts from this book, which will help in judging its insides, as well as taking an unambiguous call on the intention of the author. Apropos the money-time nexus that is widely talked about, this is what Housel has to say: "Money's greatest intrinsic value – and this can't be overstated – is its ability to give you control over your time". As with regards to grim money matters, Housel is explicit: "Do not aim to be coldly rational when making financial decisions. Aim to just be pretty reasonable. Reasonable is more realistic and you have a better chance if sticking with it for the long run, which is what matters when managing money". And, more to the point, in connection with the oft-discussed luck-risk conundrum, this is what Housel affirms: "If you give luck and risk their proper respect, you realize that when judging people's financial success – both your own and others' – it's never as good or as bad as it seems".

If you are a person who thinks that saving money is a required skill for the contemporary times, you will find nuggets of wisdom from Chapter 10:

- Building wealth has little to do with your income or investment returns, and lots to do with your savings rate
- The value of wealth is relative to what you need
- People's ability to save is more in their control than they might think.
- You don't need a specific reason to save
- Flexibility and control over your time is an unseen return on wealth

In a similar vein, you would find these two thoughts from Chapter 12 very reinforcing. This is a chapter that talks about "two dangerous things [that] happen when you rely too heavily on investment history as a guide to what's going to happen next".The thoughts are:

You'll likely miss the outlier events that move the needle the most:Events like World Wars. Or, people like Adolf Hitler. Or, inventions like Vaccines.

History can be a misleading guide to the future of the economy and stock market because it doesn't account for structural changes that are responsible for today's world: For instance, the idea of Venture Capital. Or, cut-throat competition in all areas. Or even better, the all-encompassing influence of public markets in finance.

All things considered, you would find The Psychology of Money, not just appealing and interesting, but also clear-sighted, prescient and incisive. According to Housel, doing well with money, as you would have noticed by now, "isn't necessarily about what you know. It's all about how you behave".

Perhaps, Jonathan Swift was wide off the mark, when he stated, "A wise person should have money in their head, but not in their heart", because Morgan Housel's book goes on to prove just the opposite. When you get right down to money issues, "everyone thinks about it a little differently". This is Housel-speak for you!

We tend to judge wealth by what we see. But, the truth is wealth is what you don't see. Wealth is the nice cars not purchased. The diamonds not bought. The watches not worn, the clothes forgone and the first-class upgrade declined. Wealth is financial assets that haven't yet been converted into the stuff you see. That's not how we think about wealth, because you can't contextualize what you can't see"

PMS PERFORMANCE - 31st OCT 2020

AMC	STRATEGY	AUM (IN CRS)	CATEGORY	RETURNS								
				1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	Since Incp.	Incp. Date
2POINT2 CAPITAL	LONG TERM VALUE FUND	464	MULTI CAP	-0.50%	4.10%	23.10%	5.80%	12.20%	7.50%	NA	14.70%	Jul-16
ABANS INV. MANAGERS	SMART BETA PORTFOLIO	Undis.	MID CAP	-0.65%	6.74%	20.79%	6.34%	NA	NA	NA	16.62%	Apr-19
ACCURACAP	ALPHA10	592.05	LARGE CAP	0.83%	2.84%	16.59%	7.45%	13.60%	8.11%	10.63%	14.22%	Sep-11
ACCURACAP	ALPHAGEN	122.77	MULTI CAP	0.02%	5.77%	19.47%	9.00%	7.62%	0.01%	NA	9.28%	Dec-15
ACCURACAP	PICOPOWER	391.85	SMALL CAP	-1.25%	19.39%	49.48%	31.64%	12.25%	-0.13%	10.24%	20.81%	Oct-11
ACEPRO ADVISORS	GALAXY STRATEGY	Undis.	MULTI CAP	-0.82%	-4.31%	4.38%	-10.45%	NA	NA	NA	-7.15%	Apr-19
ACEPRO ADVISORS	LARGECAP STRATEGY	Undis.	LARGE CAP	4.93%	6.24%	18.27%	0.45%	NA	NA	NA	15.68%	Feb-19
ADITYA BIRLA CAPITAL	CORE EQUITY PORTFOLIO	409.40	MULTI CAP	1.83%	0.80%	7.87%	-12.38%	0.99%	-7.34%	0.30%	12.05%	Aug-07
ADITYA BIRLA CAPITAL	INDIA SPECIAL OPPORTUNITIES	444.25	MULTI CAP	2.28%	4.85%	13.22%	-0.49%	7.11%	NA	NA	2.35%	Jun-18
ADITYA BIRLA CAPITAL	INNOVATION	41.50	MULTI CAP	0.64%	6.00%	21.54%	10.98%	15.69%	NA	NA	11.27%	Apr-18
ADITYA BIRLA CAPITAL	SSP	424.84	SMALL & MIDCAP	1.73%	12.55%	21.39%	-2.75%	0.41%	-7.75%	1.81%	10.53%	Aug-09
ADITYA BIRLA CAPITAL	TOP 200 CORE EQUITY PORTFOLIO	39.09	LARGE CAP	1.99%	2.71%	12.67%	-1.31%	6.98%	3.23%	8.06%	6.77%	May-15
ADITYA BIRLA MONEY	CORE & SATELLITE PORTFOLIO	207.63	MULTI CAP	1.41%	3.64%	12.21%	-6.98%	2.22%	-4.88%	7.64%	6.90%	Apr-15
ADITYA BIRLA MONEY	INDIA CONSUMPTION	45.32	MULTI CAP	1.20%	4.20%	13.50%	-7.50%	NA	NA	NA	1.50%	Jan-19
ALCHEMY	ALCHEMY LEADERS	77	LARGE CAP	0.30%	1.50%	3.80%	-18.70%	-1.40%	-4.00%	5.90%	9.80%	Dec-06
ALCHEMY	ASCENT	107	MULTI CAP	-1.40%	9.50%	16.70%	-11.90%	NA	NA	NA	-7.70%	Sep-19
ALCHEMY	HIGH GROWTH	1771	MULTI CAP	-0.80%	2.40%	10.40%	-19.00%	-6.40%	-6.20%	3.60%	20.00%	May-02
ALCHEMY	SELECT STOCK	2462	MULTI CAP	0.10%	5.10%	14.60%	-15.30%	-2.80%	-1.70%	6.90%	18.00%	Dec-08
ALDER CAPITAL	ALDER CAPITAL PMS	Undis.	MULTI CAP	7.06%	13.96%	20.84%	0.48%	8.55%	4.01%	16.34%	15.10%	Oct-15
ALFACCURATE ADVISORS	AAA FOCUS PLAN	Undis.	MULTI CAP	2.58%	9.73%	21.04%	5.42%	9.73%	2.99%	10.02%	10.68%	Nov-14
ALFACCURATE ADVISORS	AAA INDIA OPP	700	MULTI CAP	1.60%	8.20%	21.50%	6.50%	5.90%	0.30%	8.60%	16.90%	Nov-09

NIFTY	LARGE CAP	3.50%	5.10%	18.10%	-2.00%	5.90%	4.00%	7.60%	INDEX
NIFTY MIDCAP 100	MIDCAP	0.50%	10.30%	26.40%	1.50%	-0.40%	-4.50%	5.20%	INDEX
BSE 500	MULTICAP	2.50%	6.10%	19.60%	-1.10%	4.70%	1.70%	7.40%	INDEX
BSE SMALL CAP	SMALL CAP	0.10%	14.30%	34.10%	9.80%	2.40%	-5.40%	5.60%	INDEX

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PMS PERFORMANCE - 31st OCT 2020

pmsbazaar MILLION to BILLION

AMC	STRATEGY	AUM (IN CRS)	CATEGORY	RETURNS								
				1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	Since Incp.	Incp. Date
AMBIT INV. ADVISORS	COFFEE CAN	506.86	LARGE CAP	4.80%	9.10%	11.20%	3.40%	14.90%	16.10%	NA	18.20%	Mar-17
AMBIT INV. ADVISORS	EMERGING GIANTS	Undis.	SMALL CAP	-1.30%	13.80%	11.20%	27.70%	13.30%	NA	NA	6.73%	Dec-17
AMBIT INV. ADVISORS	GOOD & CLEAN INDIA FUND	381.81	MID CAP	-0.50%	10.90%	20.60%	0.80%	10.90%	7.60%	12.00%	10.30%	Mar-15
ANAND RATHI ADVISORS	IMPRESS PMS	Undis.	MULTI CAP	-2.30%	8.60%	28.40%	20.90%	6.10%	-1.70%	NA	0.00%	May-17
ANAND RATHI ADVISORS	MNC PMS	Undis.	THEMATIC	-1.40%	4.51%	7.80%	3.12%	13.10%	NA	NA	5.50%	Mar-18
ANAND RATHI ADVISORS	PORTFOLIO PLUS	Undis.	MULTI CAP	3.30%	13.00%	17.30%	-9.40%	-3.70%	-6.90%	0.90%	6.80%	Oct-11
ASIT C MEHTA	ACE 15	Undis.	LARGE CAP	1.90%	1.60%	18.40%	-9.80%	-4.40%	NA	NA	-2.20%	Dec-17
ASIT C MEHTA	ACE 50	Undis.	LARGE CAP	1.20%	5.40%	21.30%	-4.30%	0.10%	NA	NA	-3.40%	Dec-17
ASIT C MEHTA	ACE ALLOCATOR	Undis.	MULTI CAP	-0.60%	4.80%	23.30%	1.00%	-5.30%	NA	NA	-7.00%	Jan-18
ASIT C MEHTA	ACE MIDCAP	Undis.	MID CAP	-1.10%	4.50%	17.50%	6.80%	5.00%	NA	NA	1.70%	Dec-17
ASIT C MEHTA	ACE MULTICAP	Undis.	MULTI CAP	-1.90%	6.40%	34.90%	2.60%	0.40%	NA	NA	-4.00%	Aug-18
ASIT C MEHTA	ACE REGULAR INCOME	Undis.	MULTI CAP	-0.80%	6.00%	27.60%	3.60%	1.80%	NA	NA	0.90%	Oct-18
ASK	GROWTH	2826.00	MULTI CAP	-0.30%	1.10%	9.20%	-6.90%	7.70%	1.40%	9.90%	18.70%	Jan-01
ASK	IEP	11526.00	MULTI CAP	2.40%	7.40%	17.00%	-0.60%	8.90%	5.90%	10.70%	16.80%	Jan-10
ASK	INDIA SELECT	3405.00	MULTI CAP	1.40%	3.30%	12.00%	-6.40%	8.40%	1.30%	8.00%	14.50%	Jan-10
AVESTHA FUND MANAGEMENT	GROWTH	153.57	MULTI CAP	3.70%	6.30%	16.10%	3.40%	15.70%	5.00%	NA	5.00%	Nov-17
AXIS	BRAND EQUITY	1268.60	MULTI CAP	3.00%	10.70%	17.60%	-1.10%	10.70%	7.40%	NA	10.30%	Jan-17
AXIS	CORE & SATELLITE	27.55	MULTI CAP	2.60%	9.90%	18.60%	NA	NA	NA	NA	-0.70%	Nov-19
BASANT MAHESHWARI	EQUITY FUND	213.00	MULTI CAP	-6.44%	1.28%	11.91%	-17.61%	8.57%	3.90%	NA	13.66%	Feb-16
BONANZA	GROWTH	Undis.	LARGE & MIDCAP	-1.59%	2.87%	20.64%	9.10%	12.00%	8.36%	17.87%	19.90%	Apr-10
BONANZA	VALUE	Undis.	MULTI CAP	1.02%	5.89%	17.00%	7.50%	3.68%	-7.39%	-0.66%	7.74%	Sep-11
BUOYANT CAPITAL	OPPORTUNITIES	95.42	MULTI CAP	2.60%	16.80%	31.60%	-8.80%	-1.00%	-5.10%	NA	10.80%	Jun-16
NIFTY			LARGE CAP	3.50%	5.10%	18.10%	-2.00%	5.90%	4.00%	7.60%	INDEX	
NIFTY MIDCAP 100			MIDCAP	0.50%	10.30%	26.40%	1.50%	-0.40%	-4.50%	5.20%	INDEX	
BSE 500			MULTICAP	2.50%	6.10%	19.60%	-1.10%	4.70%	1.70%	7.40%	INDEX	
BSE SMALL CAP			SMALL CAP	0.10%	14.30%	34.10%	9.80%	2.40%	-5.40%	5.60%	INDEX	

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PMS PERFORMANCE - 31st OCT 2020

pmsbazaar
MILLION to BILLION

AMC	STRATEGY	AUM (IN CRS)	CATEGORY	RETURNS								
				1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	Since Incp.	Incp. Date
CAPGROW CAPITAL ADVISORS	GROWTH	57.50	MULTI CAP	2.90%	4.10%	17.60%	-8.10%	-1.70%	NA	NA	-1.70%	Oct-18
CAPGROW CAPITAL ADVISORS	SPECIAL SITUATIONS	Undis.	MULTI CAP	-3.70%	12.80%	27.00%	15.20%	-0.80%	NA	NA	-0.80%	Oct-18
CARNELIAN ASSET ADVISORS	CAPITAL COMPOUNDER	Undis.	MULTI CAP	1.12%	5.91%	15.73%	1.66%	NA	NA	NA	7.08%	May-19
CENTRUM PMS	BUILT TO LAST	Undis.	LARGE CAP	1.90%	3.80%	14.60%	-4.50%	NA	NA	NA	1.75%	Jul-19
CENTRUM PMS	DEEP VALUE IV	Undis.	MID CAP	1.30%	20.50%	45.90%	27.40%	19.70%	10.30%	NA	14.33%	Dec-15
CENTRUM PMS	GOOD TO GREAT	Undis.	MID CAP	0.50%	18.50%	44.50%	17.40%	NA	NA	NA	16.41%	Jun-19
CENTRUM PMS	MICRO	Undis.	SMALL CAP	0.90%	21.80%	41.20%	13.00%	8.10%	1.70%	NA	8.24%	Jul-16
CENTRUM PMS	MULTIBAGGER (DEEP VALUE I)	Undis.	MID CAP	0.60%	21.60%	47.20%	24.70%	18.10%	6.80%	10.90%	18.04%	Mar-12
CENTRUM PMS	WEALTH CREATOR	Undis.	MULTI CAP	0.30%	6.20%	15.90%	-7.00%	4.10%	-1.40%	3.52%	12.58%	Nov-11
COMPOSITE INVESTMENTS	LIGHTHOUSE	Undis.	LARGE CAP	0.20%	2.00%	7.30%	-2.10%	NA	NA	NA	4.30%	May-19
COMPOUND EVERYDAY CAPITAL	LONG TERM FOCUSED VALUE	14.00	MULTI CAP	5.11%	7.03%	25.93%	12.34%	NA	NA	NA	25.28%	Jul-19
CONCEPT INVESTWELL	LEGEND	Undis.	LARGE CAP	1.37%	3.52%	13.13%	-4.39%	4.52%	1.12%	4.31%	11.01%	Aug-09
CONCEPT INVESTWELL	MARVEL	Undis.	MID CAP	1.29%	7.49%	21.65%	4.47%	1.72%	-7.21%	2.63%	8.47%	Jul-09
CREDENT ASSET MANAGEMENT	GROWTH PORTFOLIO	Undis.	MULTI CAP	0.34%	-10.04%	-3.97%	-12.63%	ND	NA	NA	-11.77%	Dec-17
CREST WEALTH MANAGEMENT	EMERGING BLUCHIP	Undis.	MID CAP	1.60%	13.30%	28.50%	4.80%	6.40%	-3.40%	NA	9.60%	Mar-16
CREST WEALTH MANAGEMENT	SMALLCAP	Undis.	SMALL CAP	4.40%	19.00%	37.80%	11.60%	NA	NA	NA	5.90%	Mar-19
DALAL & BROACHA	LONG TERM GROWTH	289.00	MULTI CAP	0.46%	6.09%	14.07%	-0.58%	9.17%	3.82%	7.46%	10.49%	Aug-07
EDELWEISS	FOCUSED SMALLCAP	140.00	SMALL CAP	1.50%	15.30%	25.80%	11.30%	0.70%	-9.80%	2.00%	1.30%	Sep-15
EMKAY INV. MANAGERS	CAPITAL BUILDER	Undis.	MULTI CAP	2.00%	10.60%	25.60%	-0.70%	1.60%	-2.40%	5.30%	12.30%	Apr-13
EMKAY INV. MANAGERS	EMKAY LEAD	Undis.	LARGE & MIDCAP	0.30%	5.00%	10.10%	-5.00%	NA	NA	NA	9.90%	Nov-18
EQUIRUS SECURITIES	LONG HORIZON FUND	146.50	SMALL & MIDCAP	0.84%	21.70%	54.82%	42.88%	22.11%	9.95%	NA	18.21%	Oct-16
NIFTY			LARGE CAP	3.50%	5.10%	18.10%	-2.00%	5.90%	4.00%	7.60%	INDEX	
NIFTY MIDCAP 100			MIDCAP	0.50%	10.30%	26.40%	1.50%	-0.40%	-4.50%	5.20%	INDEX	
BSE 500			MULTICAP	2.50%	6.10%	19.60%	-1.10%	4.70%	1.70%	7.40%	INDEX	
BSE SMALL CAP			SMALL CAP	0.10%	14.30%	34.10%	9.80%	2.40%	-5.40%	5.60%	INDEX	

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PMS PERFORMANCE - 31st OCT 2020

AMC	STRATEGY	AUM (IN CRS)	CATEGORY	RETURNS								
				1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	Since Incp.	Incp. Date
FIRST GLOBAL	INDIA SUPER 50	38.16	MULTI CAP	-1.70%	12.50%	21.00%	NA	NA	NA	NA	19.50%	Feb-20
FIRST GLOBAL	INDIAN MULTI ASSET		MULTI ASSET	0.10%	3.30%	9.10%	NA	NA	NA	NA	10.10%	Feb-20
GIRIK CAPITAL	MULTICAP GROWTH EQUITY	297.50	MULTI CAP	-2.38%	7.65%	16.76%	15.72%	11.34%	0.46%	15.43%	18.76%	Dec-09
GLOBE CAPITAL MARKET	VALUE	88.88	MULTI CAP	-3.25%	0.16%	17.36%	7.87%	13.51%	8.12%	9.17%	8.36%	Oct-07
GREEN PORTFOLIO	DIVIDEND YIELD	Undis.	THEMATIC	-0.61%	10.40%	26.18%	16.28%	NA	NA	NA	15.29%	Sep-19
GREEN PORTFOLIO	INDEX FUND	Undis.	LARGE CAP	2.61%	5.08%	12.75%	NA	NA	NA	NA	7.20%	Dec-19
GREEN PORTFOLIO	MNC ADVANTAGE	Undis.	THEMATIC	-5.31%	4.27%	17.42%	3.57%	NA	NA	NA	3.81%	Sep-19
GREEN PORTFOLIO	SPECIAL	56.80	MULTI CAP	-1.79%	9.34%	14.86%	11.39%	14.24%	NA	NA	14.52%	Jul-18
ICICI PRU	CONTRA PORTFOLIO	367.78	MULTI CAP	2.92%	3.11%	20.62%	2.20%	6.66%	NA	NA	3.72%	Sep-18
ICICI PRU	FLEXICAP PORTFOLIO	864.28	MULTI CAP	2.83%	7.62%	21.26%	0.91%	7.39%	2.65%	7.87%	11.70%	Dec-00
ICICI PRU	LARGECAP PORTFOLIO	93.12	LARGE CAP	4.09%	1.23%	18.32%	-1.89%	4.16%	2.42%	5.95%	9.83%	Mar-09
ICICI PRU	PIPE	430.36	SMALL CAP	-0.31%	12.38%	31.37%	3.27%	NA	NA	NA	4.82%	Sep-19
ICICI PRU	VALUE PORTFOLIO	95.03	MULTI CAP	1.24%	5.35%	12.44%	-3.07%	1.33%	-1.33%	4.92%	12.23%	Jan-04
IDFC ASSET MANAGEMENT	NEO EQUITY PORTFOLIO	Undis.	LARGE & MID CAP	3.35%	5.72%	17.07%	8.79%	5.55%	4.22%	NA	5.96%	Jul-17
IIFL	MULTICAP ADVANTAGE	Undis.	MULTI CAP	2.37%	5.87%	17.36%	13.77%	17.76%	NA	NA	11.83%	Dec-17
IIFL	MULTICAP PMS	Undis.	MULTI CAP	3.05%	7.72%	21.79%	3.41%	14.72%	9.53%	15.19%	16.06%	Dec-14
INVESCO	CATERPILLAR	41.16	MID CAP	-1.51%	9.13%	22.00%	-3.32%	-4.69%	-6.92%	0.23%	7.35%	Jun-06
INVESCO	DAWN	384.03	MULTI CAP	1.44%	4.10%	16.09%	-4.61%	0.71%	-3.29	NA	-3.69%	Aug-17
INVESCO	RISE	658.13	MULTI CAP	-0.63%	13.33%	31.50%	17.15%	4.54%	-1.42%	NA	8.76%	Apr-16
JAINAM SHARE CONSULTANT	BHARAT - 5T	Undis.	MULTI CAP	2.05%	7.29%	18.85%	NA	NA	NA	NA	5.49%	Jan-20
JHP SECURITIES	INCREDIBLE INDIA	Undis.	SMALL & MIDCAP	-0.71%	9.47%	16.86%	-6.00%	-5.54%	-7.09%	NA	4.93%	Jul-16
JOINDRE CAPITAL SERVICES	VALUE FUND	Undis.	MULTI CAP	2.34%	9.28%	15.11%	4.31%	NA	NA	NA	9.64%	Nov-18
NIFTY		LARGE CAP		3.50%	5.10%	18.10%	-2.00%	5.90%	4.00%	7.60%	INDEX	
NIFTY MIDCAP 100		MIDCAP		0.50%	10.30%	26.40%	1.50%	-0.40%	-4.50%	5.20%	INDEX	
BSE 500		MULTICAP		2.50%	6.10%	19.60%	-1.10%	4.70%	1.70%	7.40%	INDEX	
BSE SMALL CAP		SMALL CAP		0.10%	14.30%	34.10%	9.80%	2.40%	-5.40%	5.60%	INDEX	

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PMS PERFORMANCE - 31st OCT 2020

pmsbazaar MILLION to BILLION

AMC	STRATEGY	AUM (IN CRS)	CATEGORY	RETURNS								
				1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	Since Incp.	Incp. Date
KARMA CAPITAL ADVISORS	LONG ONLY INDIA PUBLIC EQUITY	2466.15	MULTI CAP	-1.60%	8.30%	44.30%	2.22%	-3.30%	-8.90%	6.60%	10.90%	Dec-06
KOTAK	FINTECH	7.00	SECTOR FUND	4.30%	12.50%	29.50%	2.00%	6.00%	NA	NA	6.00%	Mar-18
KOTAK	FOCUS TOP 12	12.00	MULTI CAP	-0.80%	1.90%	6.20%	-13.70%	-2.70%	-3.70%	NA	6.10%	Aug-16
KOTAK	PHARMA	41.00	SECTOR FUND	-4.50%	0.70%	19.00%	42.30%	17.10%	13.00%	NA	9.20%	Sep-16
KOTAK	SMALL & MID CAP	28.00	SMALL & MIDCAP	0.10%	18.70%	42.90%	13.50%	-1.30%	-6.60%	6.50%	13.30%	Apr-12
KOTAK	SSV - SERIES 1	859.00	MULTI CAP	-1.01%	7.30%	19.20%	-10.96%	-8.70%	-15.17%	-1.21%	9.10%	Jul-12
KOTAK	SSV - SERIES 2	693.00	MULTI CAP	-1.70%	7.90%	22.10%	-5.40%	-3.60%	-9.70%	NA	-7.80%	Sep-17
KUNVARJI FINSTOCK	MMM	Undis.	MULTI CAP	2.15%	6.84%	18.77%	1.04%	NA	NA	NA	11.01%	Sep-19
LAKE WATER ADVISORS	LAKE WATER	Undis.	MULTI CAP	1.28%	3.00%	18.62%	-8.97%	NA	NA	NA	-4.00%	Jun-19
LIC MF	VALUE EQUITY+	Undis.	LARGE & MIDCAP	2.43%	2.25%	7.73%	-5.40%	1.94%	-0.88%	1.74%	6.50%	May-13
MARATHONTRENDS	MEGATRENDS	Undis.	MULTI CAP	2.50%	8.55%	10.31%	-1.64%	10.55%	3.78%	NA	3.09%	Sep-17
MARCELLUS	CONSISTENT COMPOUNDERS	2143.82	MULTI CAP	6.70%	11.40%	15.50%	9.90%	NA	NA	NA	19.90%	Dec-18
MARCELLUS	LITTLE CHAMPS	437.24	SMALL CAP	-4.70%	11.00%	23.30%	25.90%	NA	NA	NA	27.30%	Aug-19
MASTER PORTFOLIO	VALLUM INDIA DISCOVERY	334.64	MID CAP	0.87%	13.74%	36.80%	16.58%	6.51%	-1.75%	13.49%	24.24%	Oct-11
MOAT FINANCIAL SERVICES	SATTVIK PORTFOLIO	Undis.	MULTI CAP	0.78%	8.85%	22.79%	-3.66%	1.22%	-8.43%	-2.76%	5.22%	Sep-13
MONEYLIFE	MAS GROWTH	21.36	MULTI CAP	2.18%	31.02%	61.17%	NA	NA	NA	NA	47.61%	Dec-19
MONEYLIFE	MAS PRIME	5.96	MULTI CAP	-2.13%	5.33%	19.11%	NA	NA	NA	NA	12.94%	Dec-19
MOTILAL OSWAL	BOP	983.00	MULTI CAP	4.67%	7.87%	17.77%	-4.13%	10.36%	NA	NA	3.54%	Jan-18
MOTILAL OSWAL	FOCUSED MIDCAP	45.00	MID CAP	2.40%	13.59%	38.00%	NA	NA	NA	NA	25.09%	Dec-19
MOTILAL OSWAL	IOP	2121.00	SMALL & MIDCAP	-2.54%	5.47%	22.17%	-4.13%	-2.22%	-10.49%	3.12%	6.41%	Feb-10
MOTILAL OSWAL	IOP V2	473.00	SMALL & MIDCAP	2.89%	12.92%	38.95%	13.13%	3.21%	NA	NA	-4.49%	Feb-18
MOTILAL OSWAL	NTDOP	7688.00	MULTI CAP	1.97%	7.97%	19.68%	-4.97%	1.44%	-0.57%	8.58%	14.04%	Dec-07

NIFTY	LARGE CAP	3.50%	5.10%	18.10%	-2.00%	5.90%	4.00%	7.60%	INDEX
NIFTY MIDCAP 100	MIDCAP	0.50%	10.30%	26.40%	1.50%	-0.40%	-4.50%	5.20%	INDEX
BSE 500	MULTICAP	2.50%	6.10%	19.60%	-1.10%	4.70%	1.70%	7.40%	INDEX
BSE SMALL CAP	SMALL CAP	0.10%	14.30%	34.10%	9.80%	2.40%	-5.40%	5.60%	INDEX

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully

PMS PERFORMANCE - 31st OCT 2020

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MILLION to BILLION

AMC	STRATEGY	AUM (IN CRS)	CATEGORY	RETURNS								
				1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	Since Incp.	Incp. Date
MOTILAL OSWAL	VALUE	1923.00	LARGE CAP	3.39%	3.34%	12.87%	-6.62%	8.01%	1.36%	5.41%	18.99%	Mar-03
MRG INV. PARTNERS	WEALTH ENHANCER	Undis.	MULTI CAP	1.22%	4.45%	23.71%	8.17%	NA	NA	NA	1.85%	May-19
MRG INV. PARTNERS	WEALTH MAXIMIZER	Undis.	MULTI CAP	0.30%	4.08%	22.56%	1.04%	NA	NA	NA	-1.13%	May-19
MRG INV. PARTNERS	WEALTH PROTECTOR	Undis.	MULTI CAP	2.07%	2.14%	12.76%	NA	NA	NA	NA	1.93%	Dec-19
NARNOLIA	INDIA 3T	203.67	MULTI CAP	0.80%	5.90%	19.20%	-0.30%	4.10%	4.30%	13.20%	17.20%	Mar-12
NEGEN CAPITAL	SMALL CAP EMERGING	Undis.	SMALL CAP	3.89%	30.30%	61.06%	19.31%	4.11%	-8.36%	NA	-5.52%	Aug-17
NINE RIVERS CAPITAL	AURUM SMALL CAP OPP.	Undis.	SMALL CAP	0.80%	24.00%	72.10%	22.50%	2.60%	-4.10%	6.10%	24.90%	Dec-12
NIPPON INDIA	ABSOLUTE FREEDOM	Undis.	LARGE CAP	0.50%	4.50%	14.80%	-3.80%	8.20%	3.10%	7.80%	13.10%	Sep-04
NIPPON INDIA	EMERGING INDIA	Undis.	MID CAP	2.80%	13.90%	21.00%	6.40%	7.70%	0.90%	NA	4.00%	Mar-17
NIPPON INDIA	ETP	Undis.	MULTI CAP	2.40%	9.60%	16.60%	-3.70%	7.00%	NA	NA	8.20%	Oct-18
NIPPON INDIA	HIGH CONVICTION	Undis.	MULTI CAP	-0.30%	4.90%	15.70%	6.00%	15.00%	4.10%	9.30%	15.40%	Mar-14
NJ ASSET MANAGEMENT	BLUECHIP	406.00	MULTI CAP	4.90%	11.34%	18.89%	13.09%	10.78%	NA	NA	8.11%	Mar-18
NJ ASSET MANAGEMENT	DYNAMIC ETF ALLOCATION	249.00	ETF	0.56%	3.44%	14.02%	11.10%	8.96%	NA	NA	7.29%	Mar-18
NJ ASSET MANAGEMENT	DYNAMIC STOCK ALLOCATION	458.00	MULTICAP	1.32%	5.04%	10.56%	13.13%	7.14%	3.88%	NA	8.14%	Apr-16
NJ ASSET MANAGEMENT	FREEDOM ETF	31.00	ETF	1.22%	4.74%	17.50%	-1.10%	3.44%	NA	NA	0.60%	Mar-18
O3 SECURITIES	CORE VALUE - CONCENTRATED	193.95	MULTI CAP	1.18%	4.45%	11.13%	-10.77%	NA	NA	NA	-3.71%	Apr-19
O3 SECURITIES	CORE VALUE - REGULAR		MULTI CAP	0.75%	5.79%	14.38%	-5.33%	NA	NA	NA	0.72%	May-19
ORO ASSET MANAGEMENT	ALL WEATHER PORTFOLIO	Undis.	MULTI CAP	-1.60%	6.70%	10.70%	NA	NA	NA	NA	-2.30%	Jan-20
PELICAN	PELICAN PE FUND	53.47	LARGE CAP	1.04%	4.44%	14.05%	16.69%	10.36%	NA	NA	9.52%	Jun-18
PGIM INDIA	CORE EQUITY PORTFOLIO	Undis.	MULTI CAP	-2.66%	-1.64%	9.25%	-7.93%	-1.56%	-1.91%	3.89%	11.69%	Jul-13
PGIM INDIA	PHOENIX	Undis.	SMALL & MIDCAP	-0.52%	4.32%	19.66%	-6.38%	-6.62%	-6.91%	NA	1.14%	Aug-16
PHILLIP CAPITAL	EMERGING INDIA PORTFOLIO	Undis.	MID CAP	0.58%	9.41%	12.83%	5.91%	9.90%	4.20%	NA	4.09%	Aug-17
NIFTY			LARGE CAP	3.50%	5.10%	18.10%	-2.00%	5.90%	4.00%	7.60%	INDEX	
NIFTY MIDCAP 100			MIDCAP	0.50%	10.30%	26.40%	1.50%	-0.40%	-4.50%	5.20%	INDEX	
BSE 500			MULTICAP	2.50%	6.10%	19.60%	-1.10%	4.70%	1.70%	7.40%	INDEX	
BSE SMALL CAP			SMALL CAP	0.10%	14.30%	34.10%	9.80%	2.40%	-5.40%	5.60%	INDEX	

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PMS PERFORMANCE - 31st OCT 2020

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MILLION to BILLION

AMC	STRATEGY	AUM (IN CRS)	CATEGORY	RETURNS								
				1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	Since Incp.	Incp. Date
PHILLIP CAPITAL	SIGNATURE INDIA PORTFOLIO	Undis.	MULTI CAP	2.55%	8.79%	15.48%	5.94%	10.06%	3.51%	NA	7.10%	May-16
PIPER SERICA ADVISORS	LEADER PORTFOLIO	Undis.	MULTI CAP	0.90%	5.89%	19.44%	4.34%	NA	NA	NA	10.61%	Jun-19
PRABHUDAS LILLADHER	EQUIGROW STRATEGY	13.82	MULTI CAP	1.60%	5.40%	15.80%	-6.00%	6.10%	-1.30%	7.40%	16.60%	Aug-13
PRABHUDAS LILLADHER	FORTUNE STRATEGY	11.36	SMALL CAP	1.40%	3.70%	11.50%	-20.10%	-13.00%	-15.80%	NA	-15.20%	Jul-17
PRABHUDAS LILLADHER	MULTI STRATEGY	87.29	MULTI CAP	1.80%	2.40%	12.20%	-6.60%	5.40%	-3.60%	6.90%	16.40%	Aug-13
QUEST INV ADVISORS	FLAGSHIP	703.00	MULTI CAP	0.82%	6.75%	22.45%	6.61%	3.77%	-1.04%	8.52%	15.13%	Oct-11
QUEST INV ADVISORS	MULTI	565.00	MULTI CAP	-0.30%	10.54%	30.86%	11.13%	5.95%	-0.31%	9.66%	11.25%	Aug-14
RENAISSANCE	MIDCAP PORTFOLIO	Undis.	MID CAP	0.60%	14.14%	32.83%	-1.86%	1.42%	-4.18%	NA	-4.18%	Oct-17
RIGHT HORIZONS	ALPHABOTS INDIA PRIME	Undis.	THEMATIC	-1.70%	2.48%	11.40%	-7.42%	NA	NA	NA	-4.07%	May-19
RIGHT HORIZONS	FLEXI CAP	Undis.	MULTI CAP	-1.36%	6.50%	16.50%	1.98%	NA	NA	NA	3.54%	Jan-19
RIGHT HORIZONS	INDIA BUSINESS LEADER	Undis.	LARGE CAP	3.07%	5.96%	14.74%	-1.29%	NA	NA	NA	1.16%	Jan-19
RIGHT HORIZONS	MINERVA INDIA UNDER-SERVED	Undis.	SMALL CAP	-5.10%	3.60%	28.20%	1.00%	-5.60%	-3.20%	3.60%	10.80%	Apr-11
RIGHT HORIZONS	SUPER VALUE	Undis.	MID CAP	1.64%	9.40%	17.18%	0.05%	NA	NA	NA	-0.24%	Jan-19
SAGEONE	CORE	Undis.	MULTI CAP	-0.30%	9.40%	34.20%	15.70%	8.20%	2.40%	NA	10.30%	Jan-17
SAGEONE	DIVERSIFIED	Undis.	MULTI CAP	-1.50%	7.40%	27.40%	6.30%	4.60%	1.70%	NA	8.30%	Jan-17
SAGEONE	SMALL & MICROCAP	Undis.	SMALL CAP	1.50%	21.20%	46.70%	38.00%	NA	NA	NA	23.00%	Apr-19
SAMEEKSHA CAPITAL	EQUITY FUND	346.60	MULTI CAP	4.80%	13.40%	36.30%	24.70%	27.30%	10.70%	NA	16.10%	Apr-16
SANCTUM WEALTH	INDIAN OLYMPIANS	Undis.	LARGE CAP	4.70%	8.30%	16.60%	0.70%	12.10%	7.90%	NA	8.70%	Sep-16
SANCTUM WEALTH	INDIAN TITANS	Undis.	MULTI CAP	1.40%	5.00%	14.50%	2.20%	10.40%	2.60%	NA	9.20%	Nov-16
SANCTUM WEALTH	SMART SOLUTIONS	Undis.	MULTI CAP	1.00%	1.90%	8.40%	6.70%	5.10%	0.80%	NA	5.30%	Mar-16
SATCO CAPITAL MARKETS	GROWTH & MOMENTUM	Undis.	MULTI CAP	1.10%	9.90%	33.60%	24.10%	17.00%	3.50%	16.30%	28.50%	Jan-12
SBI MF	GROWTH WITH VALUES	Undis.	MULTI CAP	2.13%	8.73%	20.98%	0.78%	9.53%	2.83%	NA	5.78%	Jul-16
NIFTY		LARGE CAP		3.50%	5.10%	18.10%	-2.00%	5.90%	4.00%	7.60%	INDEX	
NIFTY MIDCAP 100		MIDCAP		0.50%	10.30%	26.40%	1.50%	-0.40%	-4.50%	5.20%	INDEX	
BSE 500		MULTICAP		2.50%	6.10%	19.60%	-1.10%	4.70%	1.70%	7.40%	INDEX	
BSE SMALL CAP		SMALL CAP		0.10%	14.30%	34.10%	9.80%	2.40%	-5.40%	5.60%	INDEX	

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MILLION to BILLION

AMC	STRATEGY	AUM (IN CRS)	CATEGORY	RETURNS								
				1 Mth	3 Mth	6 Mth	1 Yr	2 Yr	3 Yr	5 Yr	Since Incp.	Incp. Date
SHAREKHAN	PRIME PICKS	Undis.	MULTI CAP	1.60%	4.10%	14.10%	-2.60%	4.30%	NA	NA	4.10%	Jun-18
SILVERARCH	INDIA EQUITY PORTFOLIO	Undis.	MULTI CAP	-1.46%	-1.22%	9.86%	-2.36%	0.73%	-3.06%	NA	-1.44%	Sep-17
SILVERARCH	INDIA SELECT BLUECHIP	Undis.	LARGE CAP	-1.35%	-2.49%	4.24%	-14.34%	-2.07%	NA	NA	-4.19%	Jul-18
SILVERARCH	MID & SMALL CAP EQUITY	Undis.	SMALL & MIDCAP	-2.33%	8.42%	20.76%	-2.30%	-4.76%	NA	NA	-8.31%	Feb-18
SMC GLOBAL SECURITIES	GROWTH STRATEGY	Undis.	MULTI CAP	0.95%	9.35%	23.51%	-2.45%	NA	NA	NA	-1.11%	Oct-19
SOLIDARITY ADVISORS	PRUDENCE	554.89	MULTI CAP	0.50%	13.36%	27.23%	14.65%	22.29%	14.40%	NA	15.55%	May-16
SPARK FUND MANAGERS	CORE & SATELLITE	13.37	MULTI CAP	1.55%	6.99%	20.93%	6.65%	NA	NA	NA	7.02%	Jun-19
SPARK FUND MANAGERS	FLEXICAP	106.45	MULTI CAP	1.42%	3.96%	15.96%	0.07%	NA	NA	NA	4.45%	Feb-19
STALLION ASSET	CORE FUND	146.96	MULTI CAP	0.97%	14.96%	30.51%	19.62%	23.51%	NA	NA	23.24%	Oct-18
SUNDARAM ALTERNATES	PACE	Undis.	MULTI CAP	3.10%	9.10%	24.80%	-3.40%	7.10%	0.80%	4.10%	10.90%	Mar-09
SUNDARAM ALTERNATES	RISING STARS	Undis.	SMALL CAP	0.20%	15.50%	27.90%	-2.30%	0.50%	-8.20%	2.80%	11.50%	Nov-09
SUNDARAM ALTERNATES	S E L F Portfolio	Undis.	MID CAP	2.10%	10.90%	30.20%	14.10%	13.50%	4.40%	9.20%	15.60%	Jun-10
SUNDARAM ALTERNATES	SISOP	Undis.	MULTI CAP	3.10%	10.30%	25.50%	4.50%	14.00%	7.60%	7.50%	16.70%	Feb-10
SYSTEMATIX	DYNAMIC INVESTMENT	42.12	MID CAP	3.18%	17.21%	32.79%	14.59%	12.03%	NA	NA	5.98%	Apr-18
TAMOHARA INV. MANAGERS	SWAT	Undis.	MULTI CAP	-3.56%	4.76%	9.21%	-4.98%	4.49%	NA	NA	2.62%	Mar-18
TAMOHARA INV. MANAGERS	TIOS	Undis.	MULTI CAP	3.74%	4.97%	7.91%	-7.25%	1.27%	-1.49%	NA	5.82%	Mar-16
TAMOHARA INV. MANAGERS	TLES	Undis.	SMALL & MIDCAP	0.85%	17.15%	23.47%	2.62%	3.59%	1.55%	6.92%	6.37%	Oct-15
TATA PMS	ACT	Undis.	MULTI CAP	4.44%	10.14%	20.40%	0.75%	NA	NA	NA	1.83%	Feb-19
TATA PMS	EMERGING OPPORTUNITIES	Undis.	MID CAP	-1.69%	5.62%	12.26%	-4.16%	3.61%	2.09%	9.52%	9.10%	Apr-06
TCG ADVISORY SERVICES	$5 TRILLION FUND	Undis.	MULTI CAP	-0.54%	6.59%	24.06%	NA	NA	NA	NA	-3.79%	Jan-20
TCG ADVISORY SERVICES	SMF DISRUPTION FUND	Undis.	MULTI CAP	-0.91%	8.90%	25.73%	4.05%	3.36%	-2.04%	NA	13.93%	Dec-15
TRIVANTAGE CAPITAL	RESURGENT FINANCIALS EQUITY	Undis.	SECTOR FUND	5.90%	4.30%	13.20%	-15.40%	-0.70%	-10.50%	NA	9.10%	Feb-16
NIFTY		LARGE CAP		3.50%	5.10%	18.10%	-2.00%	5.90%	4.00%	7.60%	INDEX	
NIFTY MIDCAP 100		MIDCAP		0.50%	10.30%	26.40%	1.50%	-0.40%	-4.50%	5.20%	INDEX	
BSE 500		MULTICAP		2.50%	6.10%	19.60%	-1.10%	4.70%	1.70%	7.40%	INDEX	
BSE SMALL CAP		SMALL CAP		0.10%	14.30%	34.10%	9.80%	2.40%	-5.40%	5.60%	INDEX	

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MILLION to BILLION

AMC	STRATEGY	AUM (IN CRS)	CATEGORY	RETURNS								
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TRIVANTAGE CAPITAL	SUPER SIX	Undis.	SECTOR FUND	6.70%	3.60%	10.80%	-17.00%	-2.20%	-9.10%	NA	3.70%	Feb-17
TURTLE WEALTH MANAGEMENT	212 ° WEALTH MANTRA	Undis.	MULTI CAP	-0.45%	4.80%	5.00%	-2.00%	NA	NA	NA	0.28%	Sep-19
VALCREATE INV. MANAGERS	GROWING INDIA	Undis.	SMALL & MIDCAP	-1.59%	8.54%	21.17%	28.23%	13.73%	NA	NA	3.73%	Jun-18
VALCREATE INV. MANAGERS	LIFE SCIENCES & SPECIALITY OPP.	Undis.	SECTOR FUND	-3.00%	7.55%	14.99%	44.81%	24.00%	NA	NA	19.42%	Sep-18
VALENTIS ADVISORS	MULTI-CAP	Undis.	MULTI CAP	2.74%	6.85%	17.38%	-6.27%	5.11	NA	NA	11.04%	Aug-18
VALENTIS ADVISORS	RISING STAR OPPORTUNITY	Undis.	SMALL CAP	0.94%	11.55%	39.31%	14.06%	-2.23%	-2.50%	NA	3.77%	Sep-16
VARANIUM CAPITAL ADVISORS	LARGE CAP FOCUSED FUND	98.94	LARGE CAP	-0.30%	5.20%	19.50%	2.60%	15.50%	7.80%	NA	7.80%	Nov-17
WHITE OAK CAPITAL MANAGEMENT	INDIA PIONEERS EQUITY	706.00	MULTI CAP	3.50%	7.20%	21.40%	12.80%	NA	NA	NA	12.00%	Apr-19
WIZE MARKET ANALYTICS	CAPITAL MIND - LONG TERM	114.25	MULTI CAP	-1.19%	1.10%	9.95%	-6.55%	1.54%	NA	NA	-6.26%	Nov-17
WIZE MARKET ANALYTICS	CAPITAL MIND - MARKET FUND	87.05	LARGE CAP	1.24%	2.79%	16.65%	8.14%	NA	NA	NA	8.77%	Mar-19
WIZE MARKET ANALYTICS	CAPITAL MIND - MOMENTUM	42.49	MULTI CAP	-2.54%	8.64%	37.24%	28.22%	NA	NA	NA	20.63%	Mar-19
WYRIDIAN ADVISORS	UPSIDE AI MULTICAP	Undis.	MULTI CAP	0.12%	14.59%	19.92%	20.58%	NA	NA	NA	12.45%	Jul-19
DEBT & ARBITRAGE												
AK CAPITAL	CREDIT ALPHA	Undis.	DEBT	0.84%	2.04%	4.40%	9.09%	NA	NA	NA	9.73%	Feb-19
KARVY CAPITAL	DEMETER	224.92	DEBT	1.00%	3.27%	6.50%	12.09%	11.82%	11.99%	12.45%	13.87%	Jul-14
KARVY CAPITAL	EXCEL	393.16	DEBT	0.80%	2.48%	4.89%	9.92%	9.97%	10.02%	NA	9.77%	Nov-16
SCIENT CAPITAl	ARIES MID YIELD	Undis.	DEBT	0.91%	2.79%	5.52%	11.42%	11.16%	11.25%	NA	11.76%	Aug-16
NIFTY			LARGE CAP	3.50%	5.10%	18.10%	-2.00%	5.90%	4.00%	7.60%	INDEX	
NIFTY MIDCAP 100			MIDCAP	0.50%	10.30%	26.40%	1.50%	-0.40%	-4.50%	5.20%	INDEX	
BSE 500			MULTICAP	2.50%	6.10%	19.60%	-1.10%	4.70%	1.70%	7.40%	INDEX	
BSE SMALL CAP			SMALL CAP	0.10%	14.30%	34.10%	9.80%	2.40%	-5.40%	5.60%	INDEX	

* All performance above are as on 31st OCT 2020 * Above 1 year returns are in CAGR * Returns computed as per TWRR method * ND (No Data) * NA (Not Applicable).

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