

6<sup>th</sup> January 2021

Financial markets continued the “Everything Rally” phase with visibility of vaccine and activity normalization outweighing the current worsening of COVID 2<sup>nd</sup> waves across the globe. In December 2020, the Nifty, Nifty Midcap and Nifty Smallcap were up 7.8%, 5.7% and 7.8% respectively vs. 4.1% for the MSCI World Index and 7.2% for the MSCI Emerging Markets Index. Indian markets continue to be the best performing markets in this pandemic.

Notably, India has bucked the trend of a worse 2<sup>nd</sup> wave majorly – almost no large country globally has managed to do so. Consequently, our economic indicators have also fared well – Dec-20 GST collections grew a sharp 11.6% to Rs. 1.15 lakh crore, railway freight increased 8.6%, India's manufacturing PMI of 56.4 pointed to continued expansion month on month, bank credit growth accelerated marginally to 6.1%, primary auto sales continued to be strong and even discretionary consumption seemed to be making a comeback with gold imports up a very sharp 82% in Dec-2020.

**Portfolio Stance: Continue to participate in the recovery, medium term outlook continues to be attractive**

The economic recovery from COVID continues to play out – looking ahead, corporate earnings should provide real world grounding and support to markets as the current cyclical recovery gains steam.

The medium-term case for equities remains positive given negative real rates.

Indian IT services companies have given an indication in Dec-20 of what we expect to be very strong business momentum for them. We expect Q3 earnings to validate our stance of being overweight these businesses.

## FUND PROFILE

### Key Fund Information

Launch Date 11<sup>th</sup> April 2018

Structure: Open-ended, CAT III AIF

Domicile: India

Currency: INR

Min Initial Investment: INR 1 crore

### About the Fund

Investment Manager:

The Investment Trust of India

Investment Strategy: To outperform the Nifty index over a full equity market cycle, while protecting downside during equity market downturns

### Performance

(before fees and taxes)

Dec 2020 5.51% (7.81%)

Since Inception\* 45.42% (34.41%)

\*Till Dec 31, 2020

(figures in brackets correspond to Nifty returns)

### Managing Director & CIO

Rajesh Bhatia

### Fund Managers

Rajesh Aynor

Siddhartha Bhotika

### Research Analyst

Akash Jhaveri

## ANNEXURE

### Performance

#### Quarterly:

Returns	Q1 FY 19*	Q2 FY 19	Q3 FY 19	Q4 FY 19	Q1 FY 20	Q2 FY 20	Q3 FY 20	Q4 FY 20	Q1 FY 21	Q2 FY 21	Q3 FY 21	Since Inception*
ITI LS	5.33%	7.41%	0.62%	4.64%	-0.79%	-1.17%	6.97%	1.60%	-1.52%	3.34%	12.55%	45.42%
Nifty	3.00%	2.01%	-0.62%	7.00%	1.43%	-2.67%	6.04%	-29.35%	19.81%	9.18%	24.30%	34.41%

#### Monthly:

Returns	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Since Inception*
ITI LS	0.24%	-1.05%	-0.71%	5.40%	-1.94%	-0.01%	2.08%	4.50%	5.51%	45.42%
Nifty	14.68%	-2.84%	7.53%	7.49%	2.84%	-1.23%	3.51%	11.39%	7.81%	34.41%

Returns	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
ITI LS	0.22%	-1.12%	0.11%	-2.76%	-2.92%	4.69%	1.50%	2.62%	2.70%	1.02%	0.92%	-0.34%
Nifty	1.07%	1.49%	-1.12%	-5.69%	-0.85%	4.09%	3.51%	1.50%	0.93%	-1.70%	-6.36%	-23.25%

Returns	Apr-18*	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
ITI LS	2.32%	1.36%	1.56%	4.69%	2.04%	0.55%	-1.68%	3.03%	-0.67%	1.85%	-2.54%	5.42%
Nifty	3.24%	-0.03%	-0.20%	5.99%	2.85%	-6.42%	-4.98%	4.72%	-0.13%	-0.29%	-0.36%	7.70%

\*From 11th April, 2018;

Fund returns are after expenses, before management fees and taxes

#### Annual (post fees and taxes):

	FY 19	FY 20	Cumulative for FY19 and FY20
ITI LS	13.9%	0.05%	14.0%
Nifty	11.7%	-26.0%	-17.3%

Fund returns are after expenses, management fees and taxes

### Portfolio Snapshot

Strategic Long Positions - Top 5	
Stock	PF Weight
HDFC Bank	8.5%
HDFC Ltd	7.1%
Infosys Limited	6.6%
Reliance Industries	6.5%
L&T Infotech	6.4%

Top Tactical Longs - Top 5	
Stock	PF Weight
HCL Tech	8.0%
ICICI Bank	6.0%
Infosys	4.9%
HDFC Life	4.7%
L&T	4.0%

Top Tactical Shorts - Top 3	
Sector	PF Weight
NA	NA

Exposure	
Gross Exposure (month-end)	109%
Net Exposure (month-end)	89%
Gross Exposure (month-avg)	122%
Net Exposure (month-avg)	87%

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