

MONTHLY INSIGHT

September, 2023

After recording strong rally for the year till date, most of the global equity indices recorded minor correction in August. Nifty as well, took a breather and corrected in August by 2.5%. However, we do not see any major signs of worry in the domestic macro backdrop, given the heightened level of activity indicated by the high frequency datapoints. Monsoon pattern has albeit been erratic in spatial and temporal distribution. IN this regard, we may see some acute supply issues (tomato, for instance) putting pressure on the domestic inflation number. RBI in its bimonthly meeting introduced a temporary incremental cash reserve ratio (i-CRR) requirement for banks, with the objective to cool off the system liquidity, while marginally increasing the inflation expectations for FY24 to 5.4% versus 5.1 in June 2023.

Govt spending on capex continues to remain strong in a pre-election year and now private capex is starting to revive. Several domestic sectors will see strong activity in medium term, due to various Govt initiatives, such as indigenised defence procurement, PLI scheme across sectors, thrust on increased exports from India. Large part of the beneficiary companies of these initiatives, however, are in the midcap and small cap space, which is seeing rally of euphoric proportions.

In the large cap space, the hopes are pinned on domestic demand recovery in upcoming festive season and earnings support due to falling raw material prices (WPI remains negative for 5 months in a row till August 2023). Although Nifty is closer to its new high, its valuation is reasonable at close to its 7-year median multiple value.

FPI inflows have remained strong in FY24 YTD (USD 17bn+). India continues to remain a bright spot in global markets so any meaningful correction could attract flows.

Portfolio Stance

We maintain bullish exposure in the portfolio with preference towards domestic facing sectors as we continue to focus on themes such as select financials, capex and auto. Among export driven sectors, we are turning incrementally positive on select pharma names, while keeping measured exposure to IT.

FUND PROFILE

Key Fund Information

Launch Date : 11th April 2018

Structure : Open-ended, CAT III AIF

Domicile : India

Currency : INR

Min Initial Investment : ₹ 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)

August 2023: -2.02% (-2.53%)

Since Inception* 89.58% (85.09%)

*Till August 31st, 2023
(figures in brackets correspond to Nifty returns)



Celebrating
ITI Long Short Equity Fund
5 Year completion...

ANNEXURE

PERFORMANCE

QUARTERLY

Returns	Q1 FY 22	Q2 FY 22	Q3 FY 22	Q4 FY 22	Q1 FY 23	Q2 FY 23	Q3 FY 23	Q4 FY 23	Q1 FY 24	Q2 FY 24	Since Inception*
ITI LS	2.93%	12.08%	-0.83%	-1.20%	-0.29%	3.56%	0.88%	-1.40%	8.55%	-0.76%	89.58%
Nifty	7.02%	12.06%	-1.50%	0.64%	-9.65%	8.33%	5.91%	-4.43%	10.54%	0.34%	85.09%

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	Q4 FY 21
ITI LS	5.37%	7.45%	0.68%	4.72%	-0.67%	-1.08%	7.09%	1.70%	-1.45%	3.45%	12.64%	3.30%
Nifty	3.00%	2.01%	-0.62%	7.00%	1.43%	-2.67%	6.04%	-29.35%	19.81%	9.18%	24.30%	5.07%

MONTHLY:

Returns	Apr-23	May-23	June-23	July-23	August-23	Since Inception*
ITI LS	2.60%	1.43%	4.31%	1.29%	-2.02%	89.58%
Nifty (%)	4.06%	2.60%	3.53%	2.94%	-2.53%	85.09%

*till 31st August, 2023

Returns	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sept-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
ITI LS	-2.16%	2.35%	-0.43%	2.46%	0.82%	0.24%	0.64%	0.90%	-0.65%	-0.18%	-1.22%	0.04%
Nifty	-2.07%	-3.03%	-4.85%	8.73%	3.50%	-3.74%	5.37%	4.14%	-3.48%	-2.45%	-2.03%	0.32%

Returns	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sept-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
ITI LS	-0.94%	3.27%	0.62%	1.90%	8.72%	1.17%	-0.97%	-0.83%	0.97%	-0.82%	-2.69%	2.36%
Nifty	-0.41%	6.50%	0.89%	0.26%	8.69%	2.84%	0.30%	-3.90%	2.18%	-0.08%	-3.15%	3.99%

Returns	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
ITI LS	0.25%	-1.03%	-0.68%	5.44%	-1.91%	0.02%	2.11%	4.53%	5.53%	0.56%	2.55%	0.17%
Nifty	14.68%	-2.84%	7.53%	7.49%	2.84%	-1.23%	3.51%	11.39%	7.81%	-2.48%	6.56%	1.11%

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	0.25%	-1.06%	0.14%	-2.72%	-2.90%	4.72%	1.54%	2.65%	2.74%	1.06%	0.95%	-0.31%
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%

ANNEXURE

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
ITILS	2.35%	1.36%	1.57%	4.69%	2.05%	0.57%	-1.66%	3.04%	-0.64%	1.88%	-2.52%	5.44%
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

PORTFOLIO SNAPSHOT

Portfolio Snapshot

Strategic Long Positions – Top 5

Stock	PF Weight
Infosys	6.6%
Bharti Airtel	5.6%
HDFC Bank	5.5%
SBI Life	4.8%
RIL	4.4%

Top Tactical Longs – Top 5

Stock	PF Weight
ICICI Bank	4.7%
TCS	4.2%
LALPATHLAB	3.1%
HUL	2.7%
HDFCLIFE	2.6%

Top Tactical Shorts – Top 3

Stock	PF Weight
BFSI	1.9%
CONSUMER	1.2%
Power	1.1%

Exposure

Gross Exposure (month-end)	89%
Net Exposure (month-end)	72%
Gross Exposure (month-avg)	82%
Net Exposure (month-avg)	54%

* Note: Gross and Net Exposures above are calculated only on exposure to direct equity instruments of the fund

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