Lighthouse Canton India

Smell The Coffee

LIGHTHOUSE CANTON

2021 ASIAN PRIVATE BANKER AWARDS FOR DISTINCTION
BEST INDEPENDENT WEALTH MANAGER
WEALTH PLANNING SERVICES

2021 ASIAN PRIVATE BANKER AWARDS FOR DISTINCTION
BEST INDEPENDENT WEALTH MANAGER
INVESTMENT ADVISORY

lighthouse-canton.com

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Please read the Disclosure Document of the proposed investment before investing.

MF Specific Risk Factors: Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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Agenda

1. Market Update
2. Monthly Performance Update
3. Investment Opportunities
4. Tactical Calls

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Market Update

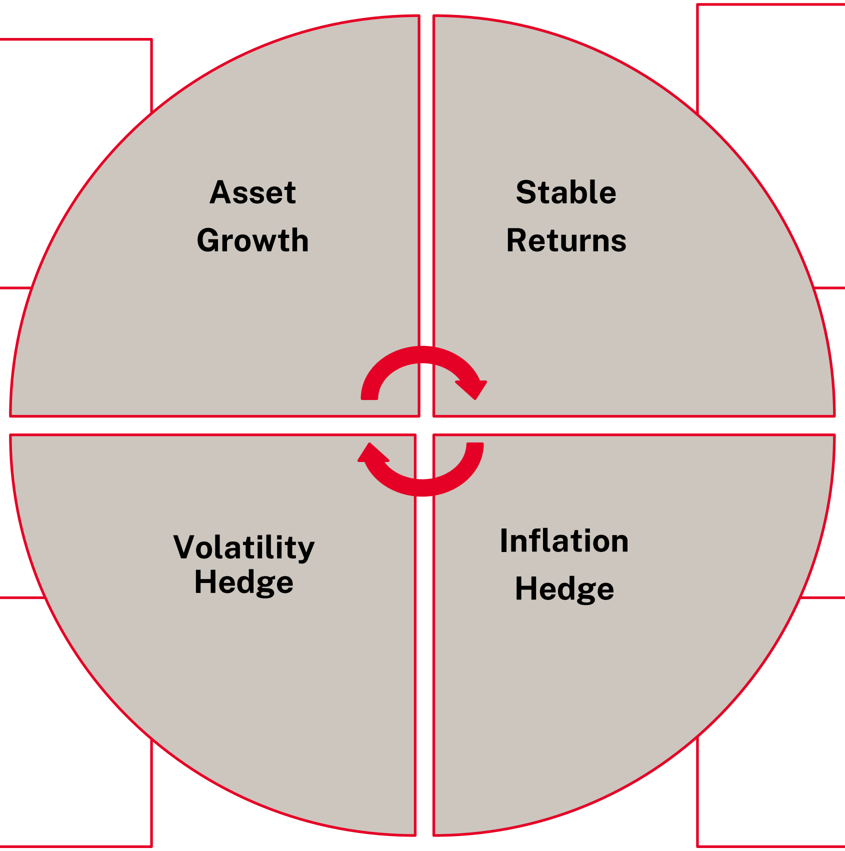
1

Investment Allocation Framework

Keeping in mind this framework while creating an asset allocation to ensure the realization of capital preservation as well as better risk-adjusted returns

- Long Only
- Equity Plus Funds
- Overseas Allocation
- PE/VC

- Structured Credit/Venture Debt
- MLDs
- Real Estate Fund
- Fixed Income Funds



- Debt Plus Funds
- Dynamic Asset Allocation Fund

- Gold
- Commodity

Macro Update

- **Global –ve Yielding Debt –** The total value of global negative yielding debt fell from highs of US $16T (approx.) to slightly above US $2T. This highlights the impact of hawkish central bankers on bond yield across the globe.

- **Advance Estimate of 1Q 2022 Hint at US Slowdown –** Real GDP decreased at annual rate of 1.4% in the 1Q of 2022. The decrease in GDP reflected decreases in private inventory investment, exports, federal and state government spending and increases in imports, personal consumption expenditure and residential and non-residential investments.

- **FED delivers the largest hikes seen in last two decades –** In the May 2022 policy meet, FED hiked rates by 50 bps and announced that it would start its balance sheet run off in June 2022. Despite inflationary pressures and recent comments from FOMC members w.r.t larger rate hikes needed; FED governor guided to a more dovish tightening trajectory of 50 bps hikes instead of 75 bps in the next couple of meetings.

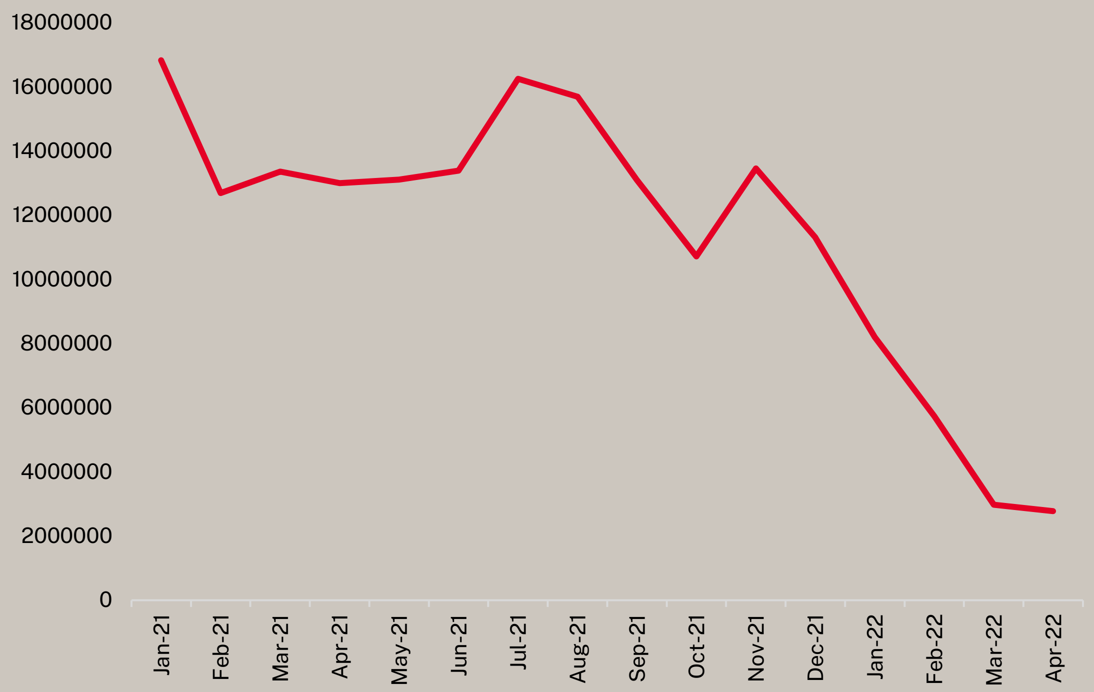
- **EU CPI Inching upwards –** Headline inflation came in at 7.5% yoy against a prior reading of 7.4%. The increase is primarily owing to high energy prices albeit the increase was slightly lower than previous month. Core CPI rise was at 3.5% yoy vs prior reading of 2.9%. We believe given the risks to growth, any premature tightening by ECB would increase the odds of a policy error.

- **BOE hikes rates to support inflation return to the target –** In May 2022, BOE hikes rates by 25 bps to 1%. The central bank expects inflation to rise to 10% in 2022 primarily due to higher demand for goods and energy prices.

- **Revival seen in economic activity in India -** High frequency indicators reflect revival in economic activity after an initial slowdown seen earlier this year primarily due to Omicron concerns. GST collection hit an all time high of Rs 1.67 lac crs in Apr 2022 – growth of ~18% vs the same month last year.

- **Investors are encouraged to have their eyes on macros and mind on asset allocation –** Calibrate investment decisions by carefully monitoring economic and geopolitical data points and its knock-on effects.

Bloomberg Global Aggregate Negative Yielding Debt Market Value (in US $MM)



Data Source – Bloomberg | Data as on 29th April 2022

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Equity Market Update

- **Expect US Markets to be volatile throughout the year –** Markets to remain volatile in the context of policy normalization on one hand and investors buying the dip on the other hand. If the economic growth forecasts and corporate earnings growth estimates are downgraded, then global equities are likely to correct in coming months.

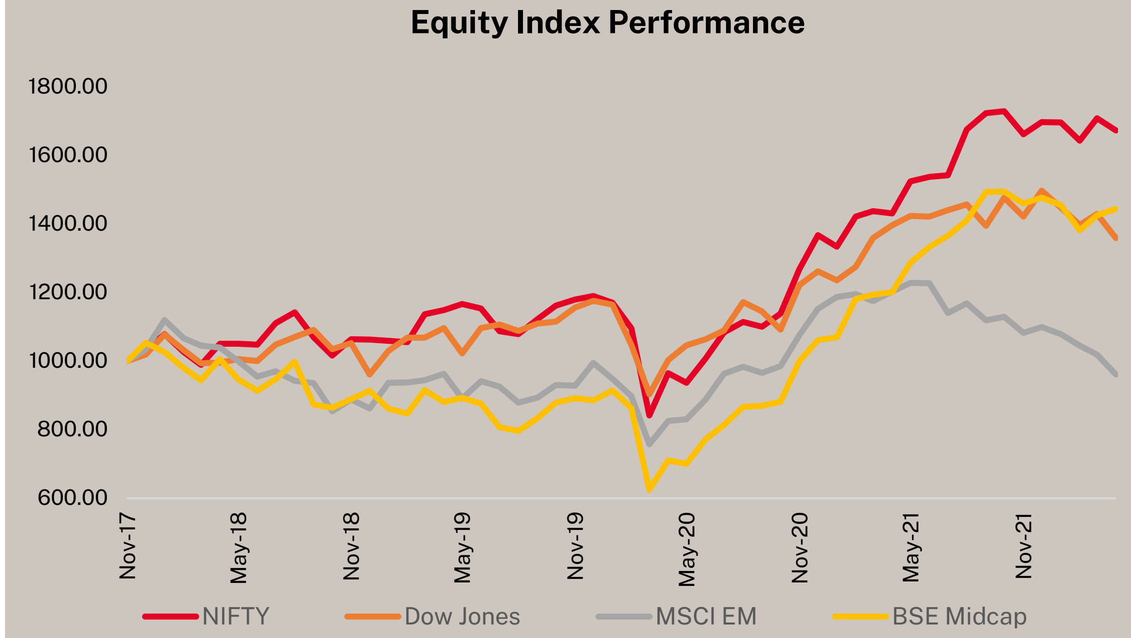
- **Halt in Rally and continuous selling by FIIs -** Nifty declined by ~2.0% in April 2022 and closed at 17102. Foreign Institutional Investors (FIIs) were net sellers in April and trimmed significant positions worth INR 40,652 cr. – net sellers for 7 consecutive months. On the other hand, Domestic Institutional Investors (DIIs) remained net buyers for 14 consecutive months and have added INR 30,842 cr. in April.

- **Mixed performance across sectors** – Sectors like Nifty Energy, Nifty CPSE and Nifty FMCG leading the pack and Nifty IT being the biggest laggard. Some of the large cap IT companies which have reported Q4FY22 results have seen pressure on operating margin primarily due to high employee costs which may have a negative impact on profitability going forward.

- **High prices leads to margin compressions and derails demand side -** We believe the increase in commodity prices and supply side disruptions post two challenges – a) margin compression for companies if price hikes are not taken on timely basis and b) derailed consumption for households if prices are too high.

- **Focus on selective themes -** We continue to focus on funds which benefit from domestic growth led by government spending and policies and export opportunities or transformation to war economy and recommend our investors to add to equities in large declines.

- **Risk profile of an investor should be the key driver for equity allocation - As we expect equity markets to be volatile this year, thus we would recommend allocation to equities should be consistent with the risk profile of an investor and the holding period should be 3-5 years.**



Month	NIFTY	Dow Jones*	MSCI EM*	BSE Midcap
Apr-22	-2.07%	-4.91%	-5.75%	1.29%
Mar-22	3.99%	2.32%	-2.52%	3.22%
Feb-22	-3.15%	-3.53%	-3.06%	-5.11%

Data Source – Bloomberg | *Returns calculated based on USD Values

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Fixed Income Market Update

- **Higher US Yields -** In US bond markets, yields continued to edge higher due to higher inflation print and expectations of FED tapering.

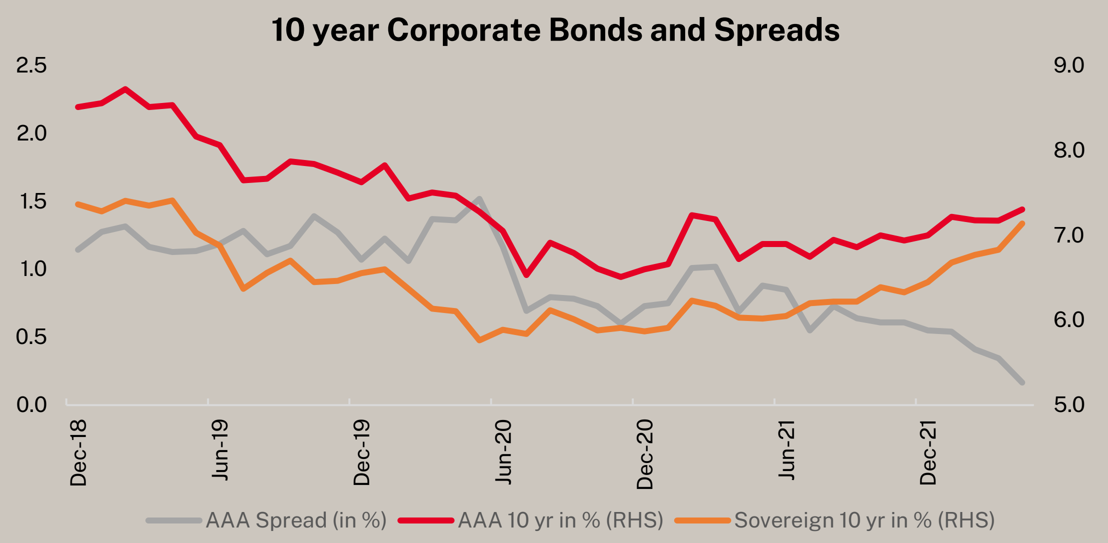
- **Bolt from the Blues by RBI -** In an unscheduled policy meet in May 2022, MPC hiked repo rates by 40 bps (from 4.0% to 4.4%) and Cash Reserve Ratio (CRR) by 50 bps (from 4.0% to 4.5%). MPC also decided to remain accommodative while focusing on withdrawing to ensure that inflation remains within the target going forward.

- **Timing and quantum came in as a surprise–** Even as market was bracing for policy tightening in coming months, but the policy announcements came as a surprise to the market. 10-year India bond yields inched up higher to 7.42% on an intraday basis up by 32 bps vs the previous day close. Governor justified the policy action to anchor the inflation expectation amidst high global inflation and pressures seeping into India in items like edible oil, crude oil, fertilizer, etc.

- **More rate hikes expected to follow -** RBI may well have started the policy normalization cycle and the stage is set for more hikes in coming months. We believe the trajectory of repo rate is headed towards 5.15% which was a pre-pandemic policy rate.

- **Various factors dictate the direction of yields -** The direction of yields going forward would be dictated by policy tightening across economies, inflation outlook and how the government borrowing program is supported by RBI.

- **Invest in high quality roll downs and/or credit opportunities funds - We believe, fixed income markets in India may remain volatile in the near term. Investors could look to invest in high quality roll down strategies and gain from the steepness of the curve and/or invest in well managed credit opportunities fund (on AIF platform) where the focus is on capital preservation and current income.**



Month	AAA 10 yr (in %)	Sov. 10 Yr (in %)	AAA Spread (in bps)
Apr-22	7.30	7.14	16
Mar-22	7.17	6.83	34
Feb-22	7.18	6.77	41
Jan-22	7.22	6.68	54
Dec-21	7.00	6.45	55

Data Source – Bloomberg

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Alternatives Assets Update

- **Price divergence seen across commodities –** In the last 1 month (as on 6th May 2022), we have seen a divergence in commodity prices – likes of crude, natural gas and coal rallying sharply and likes of copper, aluminium, coffee, sugar prices correcting.

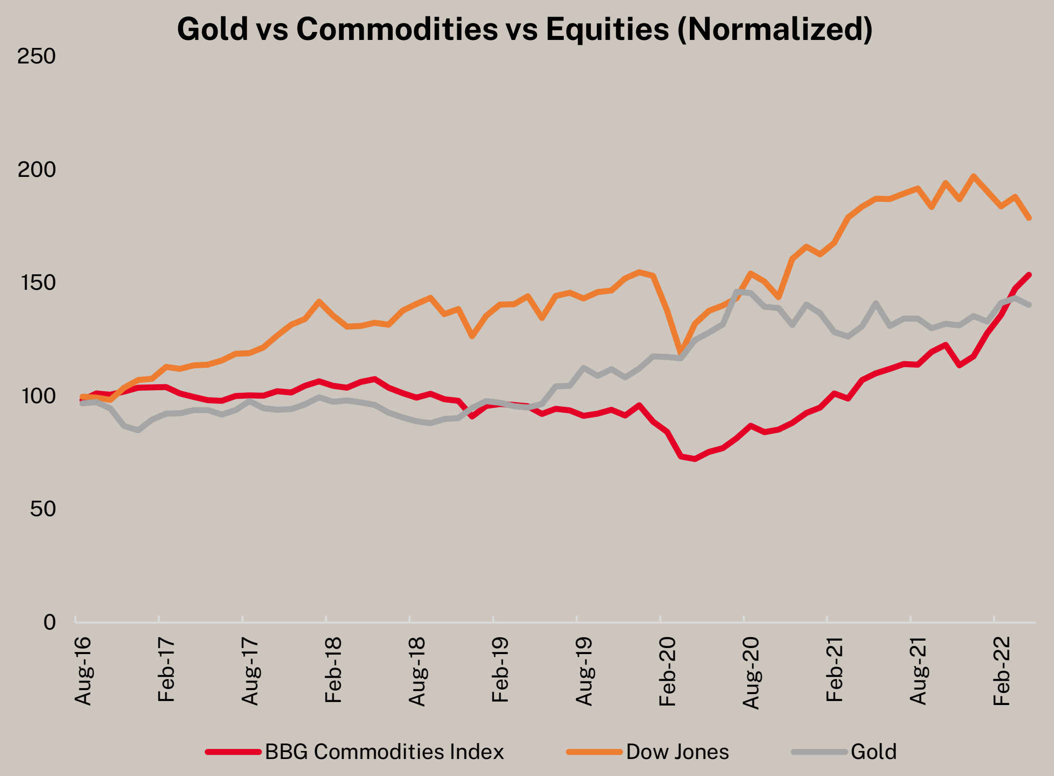
- **Commodities likely to remain a speculative asset –** We continue to hold the view that commodities are likely to remain speculative in the near term because of headwinds both on demand and supply side - supply side issues due to Russia Ukraine conflict, halt of oil production in Libya, export bans from large producing nations and demand side issues due to rise in covid cases, China slowdown, global growth forecasts for 2022 trimmed down by both IMF and World Bank, etc.

- Baring the short term speculation, from medium to long term basis, we remain constructive on metals and energy on account of higher infrastructure spending and drive towards clean energy.

- **Gold should be a constant segment in one's portfolio –** Gold has given a positive return on YTD basis in USD terms (as on 6th May 2022). The positive performance is despite faster than expected policy normalization by most of the global central bankers which has led to real rates inching higher (historically gold prices exhibit negative correlation with real rates). Allocation to gold would help one to hedge against any economic uncertainty because of geopolitical factors, hedge against rise in inflation and de-dollarization.

- **Recommend PE/VC exposure -** On PE/VC space, we see serious alpha in professionally managed early-stage ventures as the number of unicorns and soonicorns (soon to be unicorns) are set to increase.

- **To summarize, we recommend PE/VC funds as a primary route to enhance long-term returns. Fresh Allocation to gold may be done in a staggered manner.**



Data Source – Bloomberg

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Monthly Performance Update

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Select Absolute Return Funds and Benchmark Indices

Debt Plus Funds

Fund	Platform	Apr-22	Mar-22	Feb-22		3M	6M	1Y	2Y	3Y
ICICI Prudential Long Short	AIF	0.4%	2.2%	0.3%		2.9%	5.0%	13.6%	19.5%	15.6%
Whitespace Debt Plus	AIF	0.7%	1.0%	0.4%		2.1%	7.8%	16.9%	16.9%	
Estee I-Alpha	PMS	0.8%	0.8%	0.6%		2.2%	4.2%	8.7%	9.6%	11.4%
Alpha Alt MSAR	AIF	2.6%	1.0%	0.9%		4.6%	7.8%	13.3%	13.6%	11.6%
Avendus Abs Return Fund	AIF	1.3%	0.6%	-0.8%		1.1%	3.4%	13.3%	13.1%	11.2%

Benchmark Indices

Fund		Apr-22	Mar-22	Feb-22		3M	6M	1Y	2Y	3Y
Nifty 50		-2.1%	4.0%	-3.2%		-1.4%	-3.2%	16.9%	31.7%	13.3%
BSE500		-0.6%	4.2%	-4.1%		-0.7%	-1.8%	19.6%	36.1%	15.5%
BSE Mid Cap		1.3%	3.2%	-5.1%		-0.8%	-3.4%	20.2%	42.6%	17.9%
BSE Small Cap		1.4%	5.8%	-8.8%		-2.1%	2.3%	32.0%	60.5%	25.1%
CRISIL Liquid Fund Index		0.3%	0.3%	0.3%		1.0%	1.9%	3.7%	3.8%	4.6%
Nifty Bank		-0.8%	0.5%	-4.7%		-5.0%	-7.7%	10.1%	29.4%	6.6%
MSCI EM Index*		-5.7%	-2.5%	-3.1%		-10.9%	-14.9%	-20.2%	7.8%	-0.1%
Nifty 50 Arb Index		0.4%	0.1%	0.4%		0.8%	1.9%	3.9%	3.1%	3.9%

Performance as of 30th April, 2022 | * Returns computed on USD values

Select Long Only PMS/AIF Strategies

Long Only Funds

Fund	Platform	Apr-22	Mar-22	Feb-22	3M	6M	1Y	2Y	3Y
LC SageOne Select	PMS	1.4%	6.9%	-7.5%	0.3%	5.1%	31.6%	64.9%	34.3%
Vallum India GARP Advantage	PMS	-0.7%	6.5%	-9.3%	-4.1%	-4.3%	23.5%	58.5%	28.6%
White Oak India Pioneers	PMS	-3.0%	3.2%	-2.6%	-2.4%	-4.8%	16.2%	35.9%	21.8%
SageOne Small Cap	PMS	3.1%	6.0%	-9.3%	-0.9%	5.9%	32.3%	76.3%	44.1%
Marcellus Cons. Compounders	PMS	-0.2%	0.7%	-3.0%	-2.5%	-6.1%	14.8%	26.0%	22.8%
Alchemy High Growth Select Stock	PMS	-2.7%	7.4%	-4.7%	-0.4%	-2.3%	25.8%	42.3%	15.0%
Marcellus Kings Of Capital	PMS	-3.1%	0.0%	-3.7%	-6.6%	-11.4%	2.1%		
Marcellus Rising Giants – AIF	AIF/PMS	-0.4%	0.5%	-8.3%	-8.2%	-8.9%			
Oaks ABC Portfolio	PMS	1.6%	6.7%	-2.8%	5.4%	9.8%	32.7%		
Carnelian Shift - PMS	AIF/PMS	0.2%	5.5%	-6.4%	-1.1%	0.6%	33.7%		
Axis Contra Fund	PMS	-2.4%	3.4%	-5.4%	-4.6%	-2.8%	28.3%		
Abakkus Emerging Opportunities	PMS	2.7%	4.0%	-7.3%	-0.9%	1.0%	38.2%		
Aurum Small Cap Opportunities	PMS	-2.0%	9.7%	-10.1%	-3.3%	1.0%	21.7%	82.0%	26.8%

Equity Plus Funds

Fund	Platform	Apr-22	Mar-22	Feb-22	3M	6M	1Y	2Y	3Y
Whitespace Equity Plus	AIF	-1.8%	5.1%	-2.9%	0.2%	2.8%	33.1%	55.7%	
Avendus Enh Retrn Fund - II	AIF	-4.0%	4.5%	-3.9%	-3.5%	-7.3%	13.0%	24.7%	14.6%

Performance as on 30th April, 2022

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Select Mutual Funds

Mutual Funds

Fund	Segment	3 M	6 M	1 Y	2 Y	3Y
Nippon India Large Cap	Large Cap	-7.4%	-9.3%	14.3%	37.4%	11.6%
DSP Equity Opportunities	Large & Mid Cap	-9.8%	-14.0%	4.3%	33.2%	15.0%
DSP Flexi Cap	Flexi Cap	-12.9%	-17.5%	2.5%	29.6%	14.6%
PGIM India Flexi Cap	Flexi Cap	-12.4%	-16.8%	7.7%	40.9%	22.0%
Invesco India Multicap	Multi Cap	-12.3%	-17.5%	8.0%	32.1%	15.6%
Invesco India Midcap	Mid Cap	-11.5%	-15.2%	10.9%	36.0%	18.6%
PGIM India Midcap Opp	Mid Cap	-11.8%	-14.4%	16.0%	56.0%	30.8%
SBI Small Cap Fund	Small Cap	-6.1%	-7.5%	16.8%	50.9%	25.4%
Edelweiss Balanced Advantage	Balanced Advantage	-5.6%	-6.7%	6.2%	21.1%	13.7%
Edelweiss Arbitrage Fund	Arbitrage	0.9%	1.9%	4.0%	3.6%	4.5%
HDFC Multi-Asset	Multi-Asset	-3.8%	-5.3%	8.8%	24.8%	13.6%

Performance as on 10th May, 2022; Returns less than 1 year are absolute

Investment Opportunities

3

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Long Only Equity : Carnelian Shift Strategy

- Long only, multi-cap, thematic strategy designed to capture two major structural shifts in Indian economy namely, manufacturing and technology.
- The investment style constitutes of 3 factors:
    - Mainly targeting mid cap & small cap companies with existing core competence/niche capability along with strong BS, governance and return ratios.
    - 2/3rd of the strategy will focus on manufacturing and 1/3rd on technology.
    - Fundamental growth driven investing; bottom-up stock picking.
- **Unique & unconventional blend of companies -Magic (accelerated growth), Compounder (stable growth) & Opportunistic.**
- **Apply stringent Carnelian filters & forensic checks (CLEAR framework).**

General information	
Fund Name	Carnelian Shift Strategy
Fund Management Firm	Carnelian Asset Advisors Pvt Ltd
Fund Managers	Manoj Bahety / Sachin Jain
Ref Index	BSE 500
Category	PMS/AIF
Sub-Category	Long Only, Multi cap, thematic strategy
Fee	**2.25% Management Fee**
	1.50% Management Fees + 15% performance fee over 10% hurdle rate
	0% Management Fees + 20% performance fee

Track record

Month	Fund	Index
Apr-22	0.2%	-0.6%
Mar-22	5.5%	4.2%
Feb-22	-6.4%	-4.1%
Jan-22	-7.7%	-0.4%
Dec-21	7.8%	2.3%
Nov-21	2.2%	-3.0%

Period	Fund	Index
3 Months	-1.1%	-0.7%
6 Months	0.6%	-1.8%
1 Year	33.7%	19.6%

	Fund	Index
Returns	51.9%	31.6%
Volatility	21.4%	14.0%
Sharpe	2.142	1.837

* Fund inception in Oct 2020
* Data as of 30th April 2022

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Long Only Equity : Axis Pure Contra Portfolio

- Axis Pure Contra Fund is an opportunistic strategy that is built on the 'Value' and 'Momentum' framework that strives to generate returns by identifying and capitalizing on the mispricing in the market.
- Apart from utilizing the 'Value' and 'Momentum' framework, the Contra fund also explores special situations to generate additional alpha for the portfolio.
- The fund implements a variety of quantitative and qualitative frameworks based on 'top-down' and 'bottom-up' approaches to decide sector allocation and stock selection. Thus, the fund not only utilizes style plays but also focuses on sector rotation themes to generate returns.
- **The fund also emphasizes on the special situation such as delisting, buyback, court verdicts, mergers, acquisitions, large dividend payouts and other plays which can be exploited to generate significant alpha.**

General information	
Fund Name	Axis Pure Contra Portfolio
Fund Management Firm	Axis Securities
Fund Managers	Nishit Master/ Naveen Kulkarni
Ref Index	BSE 200
Category	PMS
Sub-Category	Long Only, Multi cap
Fee	**2.5% Management Fee**

Track record

Month	Fund	Index
Apr-22	-2.4%	-0.7%
Mar-22	3.4%	4.0%
Feb-22	-5.4%	-3.5%
Jan-22	0.5%	-0.3%
Dec-21	6.1%	2.0%
Nov-21	-4.4%	-3.3%

Period	Fund	Index
3 Months	-4.6%	-0.4%
6 Months	-2.8%	-2.0%
1 Year	28.3%	18.9%

	Fund	Index
Returns	52.0%	38.0%
Volatility	16.7%	14.0%
Sharpe	2.753	2.285

* Fund inception in July 2020
* Data as of 30th April 2022

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Long Only Equity : Vallum India GARP Advantage

- The team has extensive experience having returned a staggering 28% over the last ~12 years and have been able to make selective picks across the market cap horizon, focusing on concentrated value bets that play out in the longer run.
- Analysis of the businesses is based on fundamental principles and earnings cycle.
- They have a track record of identifying structural growth stories in the past. Targeted portfolio plan consists of 50% core longs (high quality, high conviction and potential "eternal" holdings), 25% tactical (more quality vs core, enhanced price target discipline) and 25% in opportunistic (asymmetric payoff potential).

General information	
Fund Name	Vallum India GARP Advantage
Fund Management Firm	Vallum Capital
Fund Managers	Manish Bhandari/Madhusudan Sarda
Ref Index	BSE Midcap Index
Category	PMS
Sub-Category	Long Only - Mid/Small Cap
Fee	**1.5% + 15% above hurdle rate of 10% annualized after 3 years**

Track record

Month	Fund	Index
Apr-22	-0.7%	1.3%
Mar-22	6.5%	3.2%
Feb-22	-9.3%	-5.1%
Jan-22	2.1%	-1.4%
Dec-21	1.7%	1.1%
Nov-21	-3.9%	-2.3%

Period	Fund	Index
3 Months	-4.1%	-0.8%
6 Months	-4.3%	-3.4%
1 Year	23.5%	20.2%
3 Years	28.6%	17.9%
5 Years	17.7%	10.5%

	Fund	Index
Returns	27.8%	14.0%
Volatility	23.2%	20.5%
Sharpe	0.940	0.389

- Data as of 30th April, 2022
- Inception is in October 2011
- Returns are for Vallum India Discovery Fund Inception Date for GARP Advantage Fund is Sep 2020

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Long Only Equity : LC SageOne Select Stock Portfolio

- **LC SageOne Select Stock Portfolio is an exclusive strategy created for clients of Lighthouse Canton India**, based on SageOne's flagship core and small/mid cap portfolios that have delivered significant alpha over the last 12 years.

- The investment philosophy is based on focused concentrated investing in stocks with high structural growth, profitability and quality management.

- The target market cap range is INR 500-40,000 Crore range.

- The fund management has a buy and hold investment view with low churn and has a good track record in timely entries and exits of portfolio stocks.

General information	
Fund Name	LC SageOne Select Stock Portfolio
Fund Management Firm	SageOne Investment Advisors
Fund Managers	Samit Vartak
Ref Index	BSE500
Category	PMS
Sub-Category	Long Only - Mid/Small Cap
Fee*	**1.75% - 2.5% fixed**
	0.25%-1% + 15% profit share above 10%

Track record

Month	Fund	Index
Apr-22	1.4%	-0.6%
Mar-22	6.9%	4.2%
Feb-22	-7.5%	-4.1%
Jan-22	-3.7%	-0.4%
Dec-21	6.8%	2.3%
Nov-21	1.9%	-3.0%

Period	Fund	Index
3 Months	0.3%	-0.7%
6 Months	5.1%	-1.8%
1 Year	31.6%	19.6%
3 Years	34.3%	15.5%
5 Years	21.9%	12.7%
Returns	36.7%	15.6%
Volatility	34.1%	20.1%
Sharpe	0.901	0.478

* Fund inception in June 2020
** Returns are for combined SageOne Core & Small/Micro Cap funds from April 2009 till August 2020
Data as of 30th April 2022

*High water mark applicable
Min Subscription : Rs 2 cr.

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Long Only Equity : Alchemy High Growth Select

- Alchemy High Growth Select Stock is a concentrated portfolio aiming at generating long term returns by investing in equities across market capitalization.
- The intention is to bring the stock-picking expertise of the franchise to fore with an ability to pick trends early.
- The managers insist that at least 3-5-year investment horizon (in line with their investment philosophy) is needed to get exposure to returns of a market cycle.
- While a diversified portfolio reduces risk, too much diversification tends to dilute returns unless there is a bull run where the tide lifts all boats. A concentrated portfolio helps to focus more on individual stock performance and returns somewhat reducing the correlation to broad market index returns albeit, over the long run.

General information	
Fund Name	Alchemy High Growth Select
Fund Management Firm	Alchemy Capital Management
Fund Managers	Hiren Ved
Ref Index	BSE 500
Category	PMS
Sub-Category	Long Only – Multi cap
Fee	**2-2.25-2.5% Mgmt. fee(3/5/10 Cr) Fixed**
	1-1.25-1.5% Mgmt. fee (3/5/10 Cr) + 15% of profits over 10% hurdle rate

Track record

Month	Fund	Index
Apr-22	-2.7%	-0.6%
Mar-22	7.4%	4.2%
Feb-22	-4.7%	-4.1%
Jan-22	-1.3%	-0.4%
Dec-21	1.5%	2.3%
Nov-21	-2.1%	-3.0%

Period	Fund	Index
3 Months	-0.4%	-0.7%
6 Months	-2.3%	-1.8%
1 Year	25.8%	19.6%
3 Years	15.0%	15.5%
5 Years	12.9%	12.7%
Returns	20.3%	12.3%
Volatility	20.7%	21.7%
Sharpe	0.691	0.288

* Fund inception in December 2008
* Data as of 30th April 2022

Min Subscription : Rs 3 cr.

LIGHTHOUSE CANTON

Long Only Equity : Marcellus Rising Giants Portfolio

- The fund invests in companies with market cap range of USD 500mn to USD 10bn. The investment style constitutes of 3 factors:
  - Strongly moated dominant companies in niche segments not yet well discovered by the market participants.
  - Companies that have strong track record of capital allocation with high reinvestment in the core business and continuously focuses on adjacencies for growth.
  - Companies that have clean accounts and governance.
- From a universe of 450 companies, a portfolio is constructed of 15-20 companies which makes it past the Marcellus proprietary forensic accounting and capital allocation filters as well as bottom-up stock selection and position sizing framework that establishes the longevity of cash flows through assessing sustainability of competitive advantages, lethargic aspects of management and succession roadmap.

General information	
Fund Name	Rising Giants
Fund Management Firm	Marcellus Investment Managers
Fund Managers	Marcellus Investment Managers
Ref Index	BSE 500 Index
Category	PMS or AIF – CAT III
Sub-Category	Long Biased, Mid/Small cap
Fee	**2%-2.5% Fixed Fees**
	1.25%-1.75% + 10% performance fee over 6% hurdle rate + 5% performance fee if returns over BSE 500

Track record

Month	Fund	Index
Apr-22	-0.4%	-0.6%
Mar-22	0.5%	4.2%
Feb-22	-8.3%	-4.1%
Jan-22	-3.3%	-0.4%
Dec-21	3.1%	2.4%
Nov-21	-0.5%	-2.9%

Period	Fund	Index
3 Months	-8.2%	-0.7%
6 Months	-8.9%	-1.8%
1 Year	-	-
2 Years	-	-

Returns	-8.2%	11.1%
Volatility	11.6%	11.9%
Sharpe	--	0.431

- Data as of 30th April, 2022
- Inception for AIF in Aug, 2021

LIGHTHOUSE CANTON

Long Only Equity : Oaks ABC Portfolio

- The key objective of ABC Portfolio is to identify 3-5 key transformative trends which are currently undervalued / under-owned (in major benchmarks and diversified funds) by following an absolute return orientation (higher upside with limited downside).
- The fund structures the portfolio around the mega-trend of India making a shift from a consumer & services driven economy to a more investment led economy with multiple drivers in the coming decade.
- **The mega trend is converted into investable trends and a concentrated portfolio us built around the same.**
- Some of the investable trends are
    - core long term and cyclical opportunities in sectors like manufacturing, real estate, agriculture, etc.
    - special situation opportunities like divestments, asset monetization
    - medium of financing like market infra companies, innovative asset classes, etc.

General information	
Fund Name	ABC Portfolio
Fund Management Firm	Oaks Asset Management
Fund Managers	Debashish Bose
Ref Index	NIFTY 500
Category	PMS
Sub-Category	Long Only, Multi cap
Fee	**2% Fixed Fee**
	1.0% + 10% share of returns above 10% hurdle subject to high water mark

Track record

Month	Fund	Index
Apr-22	1.6%	-0.7%
Mar-22	6.7%	4.1%
Feb-22	-2.8%	-4.1%
Jan-22	4.3%	-0.5%
Dec-21	2.5%	2.4%
Nov-21	-2.5%	-2.9%

Period	Fund	Index
3 Months	5.4%	-0.9%
6 Months	9.8%	-2.0%
1 Year	32.7%	19.6%

	Fund	Index
Returns	30.3%	24.0%
Volatility	13.7%	12.0%
Sharpe	1.774	1.502

* Fund inception in Jan 2020
* Data as of 30th April 2022

LIGHTHOUSE CANTON

Long Only Equity : Aurum Small Cap Opportunities

- With its inception in Dec 2012, the fund is one of the oldest small cap focused PMS in India with a track record of over 9 years. The fund has generated a stellar track record of long-term alpha generation – Returns of ~30% CAGR vs 12% return of NSE SmallCap 100.
- The investment philosophy of the fund is to invest in businesses that have structurally growth tailwinds and are available at reasonable prices (i.e., buy growth at reasonable valuations).
- The fund has a disciplined investment approach centred around 4 pillars –
  - **Ideation and Discovery –** Focus on Macro tailwinds, Brand and Business Revival, etc
  - **Fundamental Evaluation –** 15% CAGR earnings growth visibility, low leverage, sustainable ROCE of 15%+, free cash flow generation, etc
  - **Risk Management –** Selective forensic diligence, periodic management interactions, etc
  - **Conservative Entry Valuation –** Valuation and price guard rail framework

General information	
Fund Name	Aurum Small Cap Opportunities
Fund Management Firm	Nine Rivers Capital
Fund Managers	Sandeep Daga/Vivek Ganguly
Ref Index	NSE SmallCap 100
Category	PMS
Sub-Category	Long Only, Small cap
Fee	**1 cr: 2% Fixed Fee + 20% share of returns above hurdle rate of 10%***
	5 cr and above: 3% Fixed Fee or 0% fixed and 20% performance fee charged annually (no hurdle)

Track record

Month	Fund	Index
Apr-22	-2.0%	-1.7%
Mar-22	9.7%	6.0%
Feb-22	-10.1%	-11.4%
Jan-22	0.1%	-1.5%
Dec-21	5.6%	5.9%
Nov-21	-1.1%	-1.0%

Period	Fund	Index
3 Months	-3.3%	-7.7%
6 Months	1.0%	-4.7%
1 Year	21.7%	19.8%
3 Years	26.8%	16.6%
5 Years	13.2%	6.6%
Returns	29.3%	11.5%
Volatility	27.4%	27.0%
Sharpe	0.848	0.204

Fund inception in Dec 2012
Data as of 30th April 2022

Min Subscription : Rs 1 cr. Exit load applicable – 3%/2%/1%
* Performance fee charged on returns at the time of redemption or on completion of 5 years from the date of investment date

LIGHTHOUSE CANTON

“Bucketing” of Long Only Equity Strategies

Investment Ideas

- **Benefit from Domestic Growth and Export Opportunities**
  - Carnelian Shift
  - Axis Pure Contra** (very actively managed fund)
- **Long Term Consistent Performance**
  - Vallum Garp Advantage
  - LC SageOne Select
  - Alchemy High Growth Select
  - Marcellus Rising Giants
  - Aurum Small Cap Opportunities
- **Transformation to “war economy*”**
  - Oaks ABC Fund

*War economy is the organization of a country's production capacity and distribution during a time of conflict. Governments must choose how to allocate their country’s resources very carefully in order to achieve military victory while also meeting vital domestic consumer demands – Source Investopedia

** Also invests in special situation opportunities

High Yield Debt : True North Credit Opportunities Fund I

- The fund seeks to deliver superior risk adjusted returns with sharp focus on capital preservation and current income by offering flexible capital solutions to well governed, under served middle market companies.
- Ability to reinvest 100% proceeds received within 18 months from Final Close.
- Investments will be in senior secured/Opco Mezzanine Structurally subordinated debt.
- The fund will be sector agnostic with focus on Healthcare, Technology, Consumer, Financial Services etc.
- Security would typically be Fixed & current assets, shares, personal guarantees etc.
- Targeted Gross Returns: 16% to 18% (Source – Fund presentation)

General information	
Fund Name	True North Credit Opportunities Fund
Fund Management Firm	True North
Fund Managers	True North Managers LLP
Category	AIF – CAT II
Sub-Category	Credit Fund
Underlying Investments	Senior secured/Opco Mezzanine/ Structurally subordinated debt
Tenure	6 Years from final close
Income Distributions	Quarterly
Drawdown	In the first 3 years
Fee	**1.5% p.a. for commitment amount greater than or equal to INR 10 crore, 1.75% p.a. for commitment amount between INR 5 crore and less than 10 crore, 2.0% p.a. for commitment amount between INR 1 crore and less than INR 5 crore**
	Hurdle Rate– 11% IRR Carried Interest – 15% with full catch up

LIGHTHOUSE CANTON

Recommended Debt Mutual Funds :

- We prefer to invest in high quality roll down/target maturity funds across 3-7 years segment.
- Investors should match their holding period with duration of the roll down strategies to protect from market volatility and to get reasonable return.
- We believe that roll down strategy would help to tick the boxes of fixed income investment – high predictability, low volatility, high liquidity and reasonable returns.

Fund	AUM	Mod Duration	YTM	Returns in %				
				1M	3M	6M	1Y	3Y
DSP Corporate Bond Fund	2,509	3.77	6.23	(2.2)	(2.2)	(1.5)	0.2	6.0
Bharat Bond ETF – April 2025	10,171	2.53	5.76	(1.9)	(1.7)	(0.8)	1.9	-
IDFC Gilt 2027 Index Fund	2,841	3.92	6.37	(1.7)	(2.4)	(1.9)	1.0	-
IDFC Gilt 2028 Index Fund	877	4.32	6.47	(1.4)	(2.1)	(1.9)	0.9	-
L&T Triple Ace Bond Fund	8,681	4.76	6.36	(1.7)	(1.8)	(1.6)	1.3	7.9
Axis Dynamic Bond Fund	2,521	5.77	6.20	(1.7)	(1.9)	(1.8)	0.6	7.2
Bharat Bond ETF – April 2031	10,577	6.12	6.94	(2.4)	(2.2)	(1.8)	1.0	-

- Data Source – ACE MF
- Performance is shown on annualized basis beyond 1 year
- Returns as of 10th May, 2022

LIGHTHOUSE CANTON

Global Investment : LC Global Select SP - Growth

- The objective of this fund is to generate consistent risk adjusted return with better downside management.
- The target is to deliver 9-11% annualised USD return with a volatility in the range of 8-10%.
- The strategy aims to reduce volatility by diversifying portfolio with up to 20 high quality global fund managers that have low beta to broader markets and lower downside risk and yet deliver equity type returns.
- The key tenets for the fund are
  - Access to world class fund managers across assets classes and geographies.
  - Portfolio rebalancing in terms of asset allocation depending on market cycles.

General information

Fund Name	LC Global Select SP - Growth
Fund Management Firm	Lighthouse Canton Pte - Singapore
Fund Managers	Antoine Bracq
Ref Index	Eurekahedge Fund of Fund Index
Category	Fund of Fund – Global
Sub-Category	Offshore - Absolute Return Fund
Fee	**Class A1 – 1.5% p.a. – Investments up to $1 Mn**
	Class A2 – 1% p.a. – Investments greater than or equal to $1 Mn

Track record

Month	Fund	Index
Apr-22	0.5%	-0.7%
Mar-22	-1.0%	0.7%
Feb-22	-0.9%	-0.7%
Jan-22	-0.1%	-2.6%
Dec-21	-0.2%	0.1%
Nov-21	1.2%	-1.0%

Period	Fund	Index
3 Months	-1.4%	-0.7%
6 Months	-0.4%	-4.1%
1 Year	3.4%	-1.2%

Fund Category*	Weight
Global Equity L/S	28.84%
APAC Equity L/S	27.33%
Long CDS	5.20%
Macro Rel. Value	6.05%
Merger and Spac Arb	8.49%
Credit L/S	3.52%
Multi Strategy	10.28%
Vol. Rel. Value	10.28%

- Return as of April, 2022
- Inception in December, 2020
- Returns in USD

* Data as on Mar 2022

LIGHTHOUSE CANTON

Venture Capital : LC Nueva Fund

A Unique Platform for Investing in India's Start- Up Economy

- **Investing alongside Clients**
  25% of LC Nueva AIF's fund commitment will come from the sponsor and management team.

- **Lean Management Fee structure**
  Lean management fee structure especially designed for return maximization.

- **Experienced Team with Long Standing Track Record**
  Investments team led by Sohil Chand (ex-India head of Norwest Venture Partners) with long-standing track record of identifying future winners early.

- **Investing in Early-Stage Businesses**
  The fund will primarily invest in early-stage businesses, typically in pre-Series A or Series A rounds.

- **Sector Agnostic Approach**
  Sector-agnostic approach but with a proclivity towards health-tech, consumer-tech, fintech & education-tech businesses, steering clear of capital-intensive businesses.

General information	
Fund Name	LC Nueva AIF
Fund Management Firm	LC Nueva Investment Partners LLP
Fund Managers	LC Nueva Investment Partners LLP
Category	AIF – CAT II
Sub-Category	Venture Capital Fund
Underlying Investments	Early Stage Venture Equity
Tenure	8 Years from final close
Income Distributions	NA
Drawdown	3 years
Fee	**0.5% p.a. for commitment amount greater than INR 5 crore, 1% p.a. for commitment amount between INR 1 crore to 5 crore,**
	Hurdle Rate– 8% IRR Carried Interest – 20% with full catch up

LIGHTHOUSE CANTON

Tactical Opportunities

4

LIGHTHOUSE CANTON

Debt Plus : Estee I-Alpha

- Estee Advisors is India's leading systematic traders in India with ***low latency algorithmic trading*** capability.
- Through smart algorithms, they are able to latch on to arbitrage opportunities between index futures and its constituents.
- Operationally, 99% funds are pooled together by the clearing entity into Fixed Deposits or is invested with their treasury.
- Remaining 1% is held as cash to meet daily MTM margin obligations. The pooled FDs are used as margin for the arbitrage trades.
- About 50-60% of the returns come from interest income while the rest comes in from arbitrage trading.

General information	
Fund Name	Estee I-Alpha
Fund Management Firm	Estee Advisors
Fund Managers	Estee Advisors
Ref Index	NIFTY 50 Arbitrage Fund Index
Category	PMS
Sub-Category	Long Short – Market Neutral
Fee	**2.5% fixed**
	1% + 35% performance over Deposit Rate

Track record

Month	Fund	Index
Apr-22	0.8%	0.4%
Mar-22	0.8%	0.1%
Feb-22	0.6%	0.4%
Jan-22	0.6%	0.4%
Dec-21	0.7%	0.3%
Nov-21	0.7%	0.3%

Period	Fund	Index
3 Months	2.2%	0.8%
6 Months	4.2%	1.9%
1 Year	8.7%	3.9%
3 Years	11.4%	3.9%
5 Years	11.7%	4.4%
Returns*	13.5%	6.04%
Volatility	1.3%	0.9%
Sharpe	5.794	0.039

- Data as of 30th April, 2022
- Inception in October, 2009

*Returns have been calculated from May, 2010

LIGHTHOUSE CANTON

Equity Plus : Whitespace Alpha Fund I

This fund parks 95-99% capital in Nifty Bees and uses that as margin for running arbitrage strategies using futures and options with the aim to create a sustainable return of ~8-9% above the benchmark. The three key underlying strategies are:

- **Core Strategy –** plain vanilla arbitrage strategy, semi-automated, across equities and commodities between cash and futures contracts.
- **Index Modelling –** trade on implied volatility between Futures and Options contracts of stocks and indices, driven by spreads, volumes, volatility and OI.
- **Statistical Modelling –** option strategies like box, butterfly, etc; run correlation models, plot price curve and build expectations around price of security and take hedged calls.

General information

Fund Name	Whitespace Alpha Fund I
Fund Management Firm	Whitespace Alpha LLP
Fund Managers	Whitespace Alpha LLP
Ref Index	NIFTY 50 Index
Category	AIF – CAT III
Sub-Category	Long Biased – Equity Plus
Fee*	**2% + up to 5% alpha: 10% of alpha**
	2% + up to 10% alpha: 20% of alpha
	2% + up to 15% alpha: 30% of alpha
	2% + up to 20% alpha: 40% of alpha or else>=20% alpha: 50% of alpha

Track record

Month	Fund	Index
Apr-22	-1.8%	-2.1%
Mar-22	5.1%	4.0%
Feb-22	-2.9%	-3.2%
Jan-22	1.1%	-0.1%
Dec-21	4.2%	2.2%
Nov-21	-2.6%	-3.9%

Period	Fund	Index
3 Months	0.2%	-1.4%
6 Months	2.8%	-3.2%
1 Year	33.1%	16.9%
2 Years	55.7%	31.7%

	Fund	Index
Returns	36.3%	16.7%
Volatility	23.2%	22.8%
Sharpe	1.308	0.469

- Data as of 30th April 2022
- Inception in October, 2019

* Performance fee is without catch up

LIGHTHOUSE CANTON

Debt Plus : Whitespace Alpha Fund II

This fund parks 95-99% capital in liquid funds (only AAA/AA+ rated schemes and across fund houses for diversification) and uses that as margin for running arbitrage strategies using futures and options. The three key strategies are:

- **Core Strategy –** plain vanilla arbitrage strategy, semi-automated, across equities and commodities between cash and futures contracts.
- **Index Modelling –** trade on implied volatility between Futures and Options contracts of stocks and indices, driven by spreads, volumes, volatility and OI.
- **Statistical Modelling –** option strategies like box, butterfly, etc; run correlation models, plot price curve and build expectations around price of security and take hedged calls.

General information

Fund Name	Whitespace Alpha Fund II
Fund Management Firm	Whitespace Alpha LLP
Fund Managers	Whitespace Alpha LLP
Ref Index	CRISIL Liquid Fund Index
Category	AIF – CAT III
Sub-Category	Long Short – Market Neutral
Fee*	**2% + 1% performance if alpha up to 7.5%**
	2% + 2% performance if alpha up to 15%
	2% + 3% performance if alpha above 15%

Track record

Month	Fund	Index
Apr-22	0.7%	0.3%
Mar-22	1.0%	0.3%
Feb-22	0.4%	0.3%
Jan-22	1.6%	0.3%
Dec-21	2.3%	0.3%
Nov-21	1.6%	0.3%

Period	Fund	Index
3 Months	2.1%	1.0%
6 Months	7.8%	1.9%
1 Year	16.9%	3.7%
2 Years	16.9%	3.8%

	Fund	Index
Returns	17.1%	4.3%
Volatility	2.4%	0.3%
Sharpe	4.663	--

- Data as of 30th April, 2022
- Inception in October, 2019

* Alpha is when the fund exceeds the benchmark (91D Treasury bond yield minus 50 bps)

LIGHTHOUSE CANTON

Debt Plus : ICICI Prudential Long Short Fund

- The objective of this fund is to generate consistent absolute returns on a quarterly and annual basis using judicious allocation and efficient active management of positions in index futures and options with reduced volatility and higher drawdown protection in extreme events.

- The long-term target is to generate a consistent income stream yielding 6-7% annualized. The key tenets for the fund are –

  i) risk-adjusted returns irrespective of market conditions, with positive correlation in up-markets and negative in negative markets

  ii) volatility that is significantly lower than index volatility and is visibly lower in negative periods, and

  iii) drawdown protection to limit downside in adverse market conditions

General information	
Fund name	ICICI prudential long short fund (II)
Fund management firm	ICICI prudential asset management
Fund managers	Nandik Mallik
Ref index	Nifty 50 index
Category	Alternative - AIF - category III
Sub-category	Long short - market neutral
Fee	**Class A – 1% and 20% performance** **Class B – 1.5% and 20% performance** **Class C – 1.5% and 15% performance** **Performance fee charged over 12%**

Track record

Month	Fund	Index
Apr-22	0.4%	-2.1%
Mar-22	2.2%	4.0%
Feb-22	0.3%	-3.2%
Jan-22	-0.3%	-0.1%
Dec-21	0.9%	2.2%
Nov-21	1.6%	-3.9%

Period	Fund	Index
3 Months	2.9%	-1.4%
6 Months	5.0%	-3.2%
1 Year	13.6%	16.9%
2 Years	19.5%	31.7%
3 Years	15.6%	13.3%
Returns	16.4%	11.5%
Volatility	9.5%	20.4%
Sharpe	1.097	0.271

- Data as of 30th April, 2022
- Inception in August, 2018

LIGHTHOUSE CANTON

LIGHTHOUSE CANTON

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