

Lighthouse Canton India

Smell The Coffee

June 2022

**LIGHTHOUSE
CANTON**



BEST INDEPENDENT WEALTH MANAGER
WEALTH PLANNING SERVICES



BEST INDEPENDENT WEALTH MANAGER
INVESTMENT ADVISORY

lighthouse-canton.com

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

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Agenda

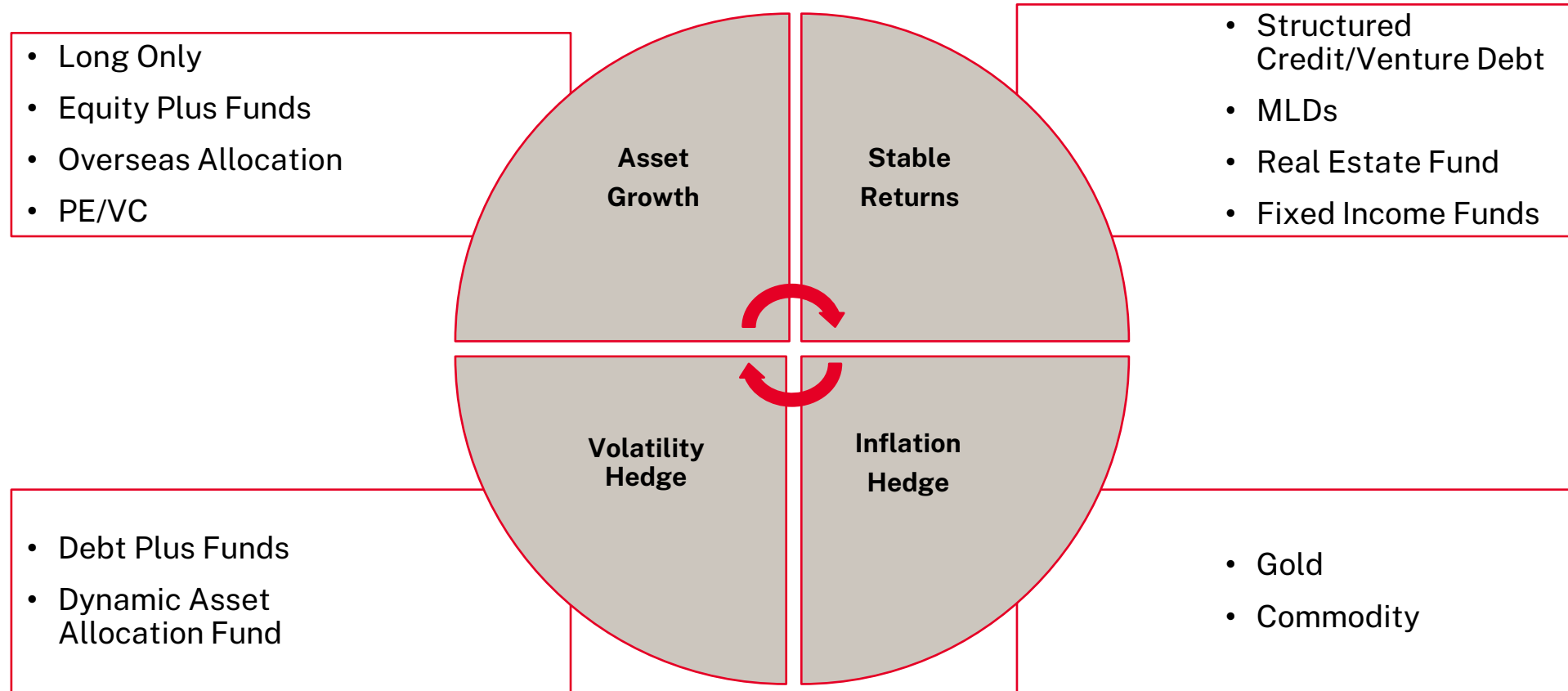
1. Market Update
2. Monthly Performance Update
3. Investment Opportunities
4. Tactical Calls

Market Update

1

Investment Allocation Framework

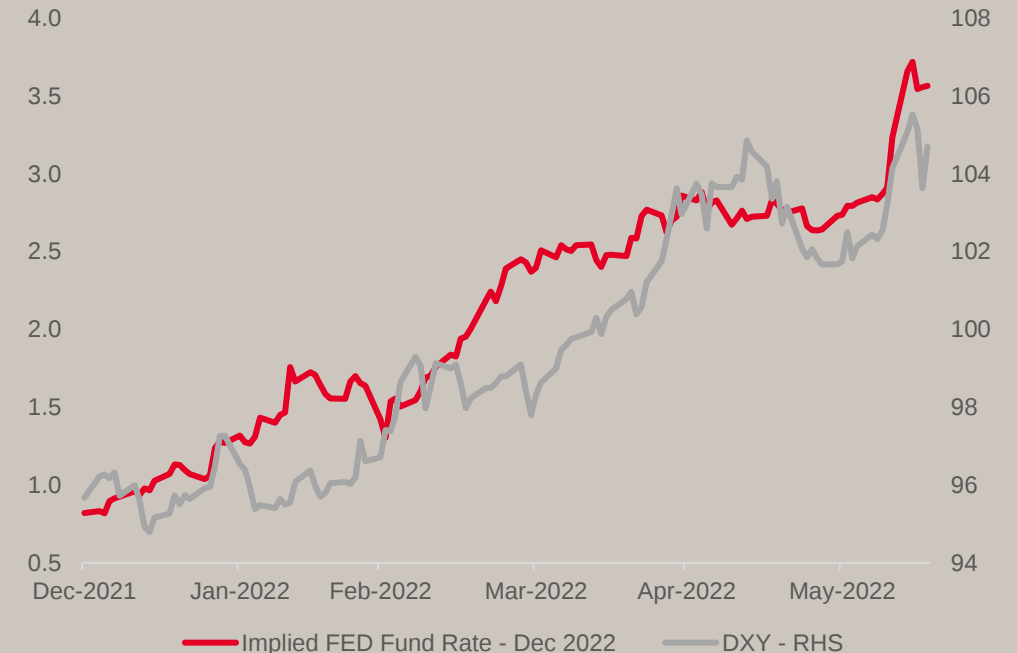
Keeping in mind this framework while creating an asset allocation to ensure the realization of capital preservation as well as better risk-adjusted returns



Macro Update

- **Higher Implied Fund Rate has led to higher Dollar Index (DXY)** – The move in DXY has shown strong positive correlation with expected FED Fund rate for Dec 2022. Since the start of the year, we have seen market expectation for FED fund rate going higher which has led to rise in DXY.
- **Good news has turned out to be bad news** – The jobs data which came in above expectation has fuelled the expectation of further rate hikes by FED in the coming months. US Non-Farm Payroll rose by 390000 in May 2022, stronger than expectations of 318000. Although May jobs report was lower than April, but higher than forecasted number and higher May headline CPI print, may keep FED aligned towards the path of aggressive policy normalization.
- **European Central Bank (ECB) getting ready** – May CPI jumped 8.1% y-o-y exceeding the 7.8% median estimate in a Bloomberg survey. On the other side, Core CPI rose by 3.8% on y-o-y basis. In June 2022 meeting, ECB decided to embark on its rate hike cycle starting July – ECB to raise rates by 25 bps (contrary to the market expectation of higher hike) and stated intension for similar or higher hike in Sept meeting.
- **China's easing and supportive policy announcements** – The recent easing of lockdown measures in Shanghai along with release of new policy package containing 33 China stimulus measures should help to boost the economy. Based on Bloomberg's calculation the stimulus announced equates to roughly a third of China's 17 trillion economy.
- **Continuation of economic recovery in India** - High frequency indicators that we track reflect economic recovery to be steadfast in April 2022. In May 2022, GST collection remains above 1 lac crs for 11 months in a row and the collections were above 1.4 lakh crore for only the 4th month since inception. India's merchandise trade deficit came in at USD 23.3 bn in May 2022 with imports and exports growing at ~56% and ~14% respectively on y-o-y basis. The growth indicators must be tracked carefully in the coming months to monitor the impact of higher prices on consumption, global growth slowdown, reducing corporate margins, etc.
- **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 and create a well diversified portfolio..

Relationship between Implied FED Fund Rate (Dec 2022) vs DXY

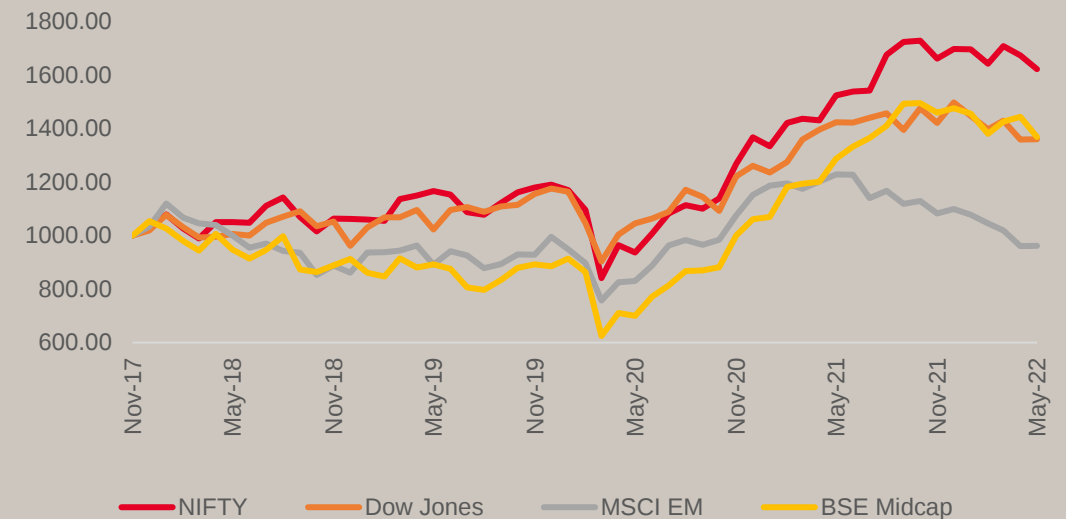


Data Source – Bloomberg | Data as on 17th June 2022

Equity Market Update

- **Wait for clarity from 3Rs** - We would wait to get clarity with respect to chances of **recession** in US (hiking rates in a slowing economy is a way to re-engineer recessionary outcome), **rates** (a function of inflation) and **risk** (volatility coming down) before recommending lump sum investments in equities.
- **Halt in Rally and continuous selling by FIIs** - Nifty declined by ~3.0% in May 2022 and closed at 16584. Foreign Institutional Investors (FIIs) were net sellers in May and trimmed significant positions worth INR 54,292 cr. – net sellers for 8 consecutive months. On the other hand, Domestic Institutional Investors (DIIs) remained net buyers for 15 consecutive months and have added INR 50,835 cr. in May.
- **Weak performance across sectors** – All sectors except FMCG and Autos have ended the month in negative. Sectors like Nifty Metal, Nifty Energy, Nifty Healthcare and Nifty IT were the biggest laggards. Predictions of better monsoon, better crop realization and higher government spending may lead to rise in rural demand and higher volumes for FMCG companies. Expectations of revival in demand, drop in commodity prices and stabilization of margins per unit of vehicle (reference: Q4FY22) helped to drive the stock prices for Auto companies.
- **Q4FY22 earnings update** – Divergent trends across sectors primarily due to rising raw material prices – Sectors like Banks, Tech not directly being impacted whereas sectors like Cement, Consumer Durables being directly impacted. Nifty 50 Sales/EBITDA/PAT growth was at 23%/16%/21% on YoY basis (Source – MOSL).
- **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.

Equity Index Performance



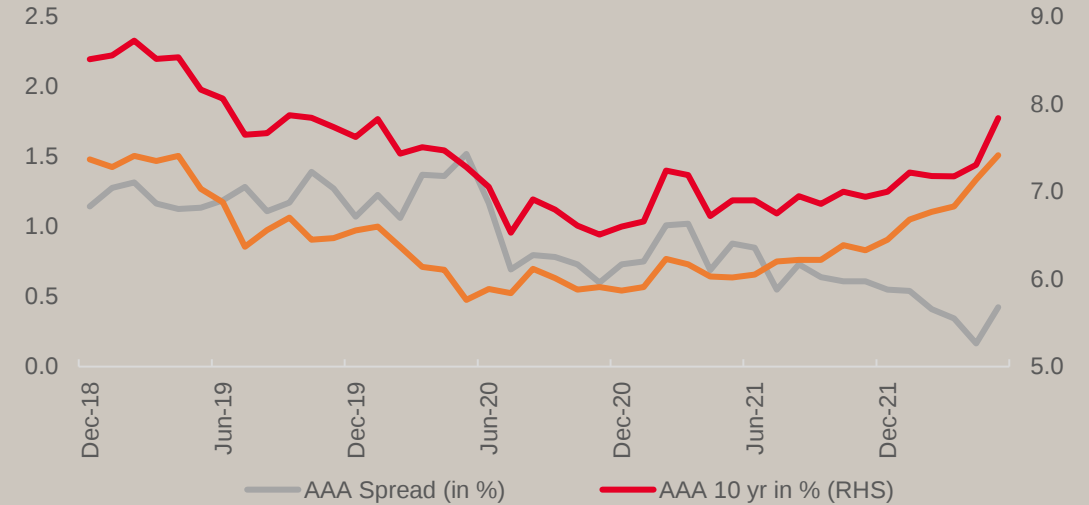
Month	NIFTY	Dow Jones*	MSCI EM*	BSE Midcap
May-22	-3.03%	0.04%	0.14%	-5.22%
Apr-22	-2.07%	-4.91%	-5.75%	1.29%
Mar-22	3.99%	2.32%	-2.52%	3.22%

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

Fixed Income Market Update

- **Higher US Yields** - In US bond markets, yields continued to edge higher due to higher inflation print and expectations of aggressive FED policy normalization.
- **MPC focus solely on inflation and stance drops “remain accommodative”**- June policy was in continuation of the May policy with the focus squarely on inflation. The RBI dropped from its resolution the emphasis that policy “remains accommodative”, signalling MPC sees rates closer to the pre pandemic level and hence pandemic induced accommodation have been removed.
- **Rates increased and revision in CPI forecasts**- MPC decided to vote unanimously to increase the policy repo rate by 50 bps to 4.90%. The inflation forecast for FY23 is now revised to 6.70% higher than the earlier forecast of 5.70% while retaining its GDP forecast at 7.2% for FY23.
- **Moderation in Headline CPI for May 2022** - Headline CPI for May 2022 moderated to 7.04% from 7.79% in April 2022 primarily led by favourable base effect and sequential slowdown in core inflation. Persistence of geopolitical tensions and elevated global commodity prices are likely to keep the decline in inflation slow.
- **Invest in Short term/Roll downs and/or Credit opportunities funds** - Investors could look to invest in short term bond funds as the recent upward move in yields makes the 1–3-year segment attractive. Investors who are looking for visibility of returns could invest in high quality roll down strategies across 2-5 years duration. We believe the longer end of the curve may remain volatile till clarity emerges on fiscal situation of the government and how the government borrowing program is supported by RBI. Investors could also look to invest in well managed credit funds (on AIF platform) where the focus is on capital preservation and current income.

10 year Corporate Bonds and Spreads

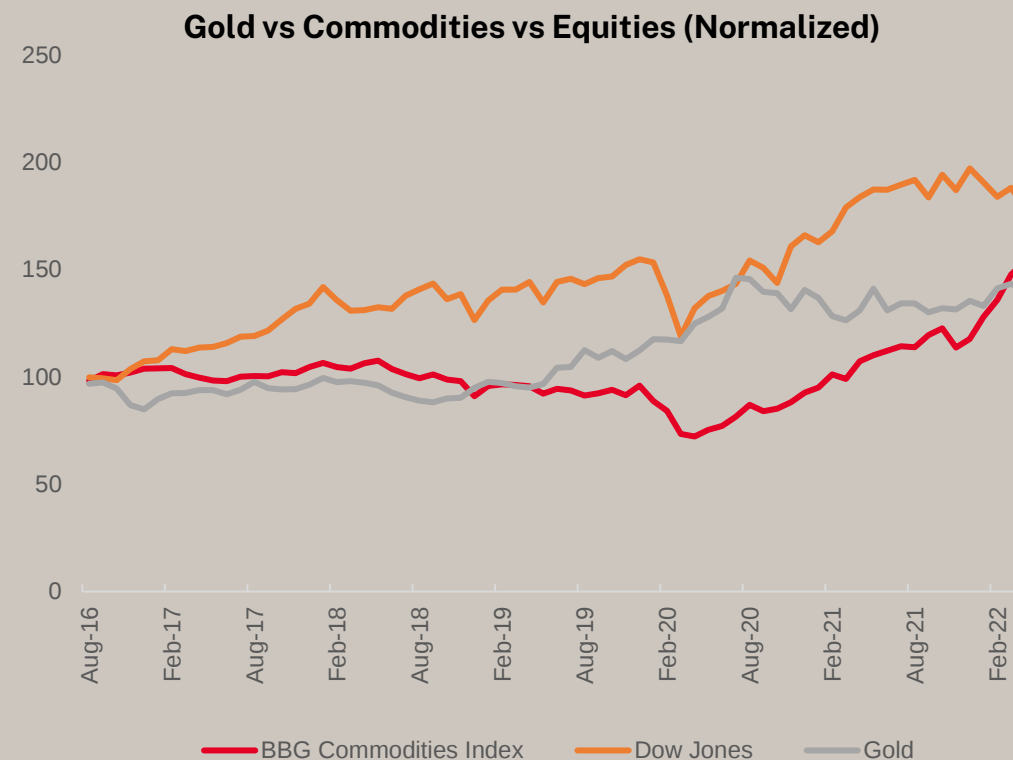


Month	AAA 10 yr (in %)	Sov. 10 Yr (in %)	AAA Spread (in bps)
May-22	7.84	7.41	43
Apr-22	7.30	7.14	16
Mar-22	7.17	6.83	34
Feb-22	7.18	6.77	41
Jan-22	7.22	6.68	54

Data Source – Bloomberg

Alternatives Assets Update

- **Price divergence seen across commodities** – On YTD basis (as on 15th June 2022), we have seen a divergence in commodity prices – likes of crude, natural gas and coal rallying sharply and likes of copper, aluminium, sugar prices correcting.
- **Commodities likely to remain a speculative asset** – We continue to hold the view that commodities especially crude is 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, drop in US Crude inventories, uncertainties around production numbers from OPEC+, and demand side issues due to China slowdown, global growth forecasts for 2022 trimmed down by both IMF and World Bank, etc.
- Barring 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 remained flat on YTD basis in USD terms (as on 15th June 2022). The flattish 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

Monthly Performance Update

2

Select Absolute Return Funds and Benchmark Indices

Debt Plus Funds	Fund	Platform	May-22	Apr-22	Mar-22		3M	6M	1Y	2Y	3Y
	ICICI Prudential Long Short	AIF	0.6%	0.4%	2.2%		3.1%	4.0%	10.5%	19.7%	15.3%
	Whitespace Debt Plus	AIF	-4.0%	0.7%	1.0%		-2.4%	1.9%	10.9%	13.9%	
	Estee I-Alpha	PMS	0.9%	0.8%	0.8%		2.6%	4.5%	9.1%	9.5%	11.4%
	Alpha Alt MSAR	AIF	0.2%	2.6%	1.0%		3.8%	6.1%	12.5%	12.9%	11.2%
	Avendus Abs Return Fund	AIF	1.0%	1.3%	0.6%		2.9%	2.9%	13.7%	13.1%	11.3%
Benchmark Indices	Fund		May-22	Apr-22	Mar-22		3M	6M	1Y	2Y	3Y
	Nifty 50		-3.0%	-2.1%	4.0%		-1.3%	-2.4%	6.4%	31.6%	11.6%
	BSE500		-4.5%	-0.6%	4.2%		-1.1%	-3.4%	6.8%	34.6%	13.2%
	BSE Mid Cap		-5.2%	1.3%	3.2%		-0.9%	-6.3%	6.4%	39.8%	15.3%
	BSE Small Cap		-7.8%	1.4%	5.8%		-1.1%	-5.6%	11.7%	55.6%	21.0%
	CRISIL Liquid Fund Index		0.3%	0.3%	0.3%		1.0%	1.9%	3.7%	3.8%	4.5%
	Nifty Bank		-1.7%	-0.8%	0.5%		-2.0%	-0.6%	-0.1%	35.6%	4.2%
	MSCI EM Index*		0.1%	-5.7%	-2.5%		-8.0%	-11.1%	-21.7%	7.6%	2.6%
	Nifty 50 Arb Index		0.5%	0.4%	0.1%		1.0%	2.1%	3.7%	3.3%	3.9%

Performance as of 31st May, 2022 | * Returns computed on USD values

Select Long Only PMS/AIF Strategies

Long Only Funds	Fund	Platform	May-22	Apr-22	Mar-22		3M	6M	1Y	2Y	3Y
	LC SageOne Select	PMS	-8.1%	1.4%	6.9%		-0.4%	-5.2%	18.6%	58.9%	28.3%
	Vallum India GARP Advantage	PMS	-8.2%	-0.7%	6.5%		-2.9%	-8.5%	6.0%	53.3%	23.9%
	White Oak India Pioneers	PMS	-5.5%	-3.0%	3.2%		-5.4%	-8.5%	3.4%	32.6%	18.7%
	SageOne Small Cap	PMS	-9.3%	3.1%	6.0%		-0.9%	-6.6%	14.4%	69.2%	38.2%
	Marcellus Cons. Compounders	PMS	-6.6%	-0.2%	0.7%		-6.1%	-11.4%	-1.3%	23.3%	20.1%
	Alchemy High Growth Select Stock	PMS	-5.8%	-2.7%	7.4%		-1.6%	-6.0%	13.3%	39.9%	12.0%
	Marcellus Kings Of Capital	PMS	-3.4%	-3.1%	0.0%		-6.4%	-9.8%	-6.4%		
	Abakkus All Cap Approach	PMS	-6.9%	-0.1%	4.7%		-2.7%	-4.2%	9.0%		
	Oaks ABC Portfolio	PMS	-4.0%	1.6%	6.7%		4.1%	8.1%	14.2%		
	Carnelian Shift - PMS	AIF/PMS	-4.8%	0.2%	5.5%		0.6%	-6.3%	11.7%		
	Axis Contra Fund	PMS	-5.1%	-2.4%	3.4%		-4.3%	-3.5%	12.5%	45.5%	
	Abakkus Emerging Opportunities	PMS	-10.7%	2.7%	4.0%		-4.6%	-7.1%	8.0%		
	Aurum Small Cap Opportunities	PMS	-8.1%	-2.0%	9.7%		-1.2%	-6.1%	-0.8%	73.1%	22.0%
Equity Plus Funds	Fund	Platform	May-22	Apr-22	Mar-22		3M	6M	1Y	2Y	3Y
	Whitespace Equity Plus	AIF	-6.5%	-1.8%	5.1%		-3.5%	-1.2%	16.1%	52.3%	
	Avendus Enh Retrtn Fund - II	AIF	-0.6%	-4.0%	4.5%		-0.2%	-5.8%	7.2%	26.2%	14.0%

Performance as on 31st May, 2022

Select Mutual Funds

Mutual Funds	Fund	Segment	1 M	3 M	6 M	1 Y	2 Y	3 Y
	Mirae Asset Large Cap Fund	Large Cap	0.58%	-6.02%	-10.25%	-0.17%	25.63%	10.79%
	ICICI Pru Bluechip Fund	Large Cap	0.95%	-5.34%	-7.54%	4.06%	27.54%	11.88%
	Kotak Emerging Equity Fund	Mid Cap	-0.89%	-4.51%	-10.49%	2.59%	37.68%	19.13%
	PGIM India Midcap Opp Fund	Mid Cap	0.31%	-5.69%	-12.73%	6.06%	47.82%	28.76%
	Canara Rob Emerg Equities Fund	Large & Mid Cap	0.04%	-6.87%	-12.96%	0.08%	29.12%	14.78%
	Mirae Asset Emerging Bluechip	Large & Mid Cap	0.00%	-6.88%	-12.88%	-0.87%	31.77%	16.97%
	Kotak Equity Opp Fund	Large & Mid Cap	-0.80%	-5.12%	-8.84%	0.74%	26.79%	13.59%
	SBI Large & Midcap Fund	Large & Mid Cap	-1.20%	-6.27%	-10.08%	2.13%	31.78%	14.59%
	L&T Emerging Businesses Fund	Small Cap	0.51%	-6.68%	-9.87%	11.72%	51.96%	19.75%
	DSP Small Cap Fund	Small Cap	-2.88%	-7.86%	-10.86%	7.11%	46.63%	21.85%
	Nippon India Small Cap Fund	Small Cap	0.19%	-5.95%	-10.19%	8.72%	53.31%	24.71%
	Parag Parikh Flexi Cap Fund	Flexi Cap	-1.48%	-7.36%	-15.99%	3.73%	29.84%	20.22%
	HDFC Flexi Cap Fund	Flexi Cap	1.71%	-2.28%	-3.28%	6.21%	35.17%	11.62%
	Kotak Flexicap Fund	Flexi Cap	-0.46%	-5.84%	-10.41%	-3.09%	22.42%	8.94%
	Franklin India Focused Equity Fund	Focused	1.61%	-5.01%	-9.52%	1.61%	30.46%	12.04%
	Aditya Birla SL Focused Equity Fund	Focused	-0.27%	-6.53%	-10.98%	-0.63%	24.68%	10.41%
	Nippon India Focused Equity Fund	Focused	0.76%	-3.36%	-7.33%	2.39%	35.70%	14.40%
	Sundaram Multi Cap Fund	Multi Cap	-0.47%	-8.14%	-13.50%	4.53%	32.22%	13.85%
	Invesco India Multicap Fund	Multi Cap	-0.01%	-8.61%	-16.28%	-4.98%	26.94%	13.26%
	ICICI Pru Value Discovery Fund	Value	0.21%	-3.33%	-1.15%	10.57%	34.55%	18.10%
	ICICI Pru Balanced Advantage Fund	Balanced Advantage	1.04%	-0.41%	-0.78%	4.97%	18.67%	10.49%
	Edelweiss Balanced Advantage Fund	Balanced Advantage	-0.33%	-4.34%	-6.29%	0.57%	17.03%	12.00%
	Edelweiss Arbitrage Fund	Arbitrage	0.21%	0.96%	1.97%	3.82%	3.59%	4.36%
	ICICI Pru Multi-Asset Fund	Multi-Asset	0.50%	-1.45%	2.08%	14.90%	30.21%	15.99%

Performance as on 14th June, 2022; Returns less than 1 year are absolute

Investment Opportunities

3

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	Period	Fund	Index
May-22	-4.8%	-4.5%	3 Months	0.6%	-1.1%
Apr-22	0.2%	-0.6%	6 Months	-6.3%	-3.4%
Mar-22	5.5%	4.2%	1 Year	11.7%	6.8%
Feb-22	-6.4%	-4.1%			
Jan-22	-7.7%	-0.4%			
Dec-21	7.8%	2.3%			
* Fund inception in Oct 2020 * Data as of 31 st May 2022			Returns	44.7%	26.6%
			Volatility	21.8%	14.6%
			Sharpe	1.773	1.413

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	Period	Fund	Index
May-22	-5.1%	-4.1%	3 Months	-4.3%	-1.0%
Apr-22	-2.4%	-0.7%	6 Months	-3.5%	-2.8%
Mar-22	3.4%	4.0%	1 Year	12.5%	6.7%
Feb-22	-5.4%	-3.5%			
Jan-22	0.5%	-0.3%			
Dec-21	6.1%	2.0%			
* Fund inception in July 2020 * Data as of 31 st May 2022			Returns	45.5%	33.3%
			Volatility	17.5%	14.5%
			Sharpe	2.264	1.878

Long Only Equity : Vallum India GARP Advantage

- The team has extensive experience having returned a staggering 27% 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	Period	Fund	Index
May-22	-8.2%	-5.2%	3 Months	-2.9%	-0.9%
Apr-22	-0.7%	1.3%	6 Months	-8.5%	-6.3%
Mar-22	6.5%	3.2%	1 Year	6.0%	6.4%
Feb-22	-9.3%	-5.1%	3 Years	23.9%	15.3%
Jan-22	2.1%	-1.4%	5 Years	15.9%	9.6%
Dec-21	1.7%	1.1%			
• Data as of 31st May 2022 • Inception is in October 2011 • Returns are for Vallum India Discovery Fund - Inception Date for GARP Advantage Fund is Sep 2020			Returns	26.6%	13.3%
			Volatility	23.4%	20.5%
			Sharpe	0.881	0.355

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	Period	Fund	Index
May-22	-8.1%	-4.5%	3 Months	-0.4%	-1.1%
Apr-22	1.4%	-0.6%	6 Months	-5.2%	-3.4%
Mar-22	6.9%	4.2%	1 Year	18.6%	6.8%
Feb-22	-7.5%	-4.1%	3 Years	28.3%	13.2%
Jan-22	-3.7%	-0.4%	5 Years	20.0%	11.2%
Dec-21	6.8%	2.3%			
* Fund inception in June 2020 ** Returns are for combined SageOne Core & Small/Micro Cap funds from April 2009 till August 2020 Data as of 31 st May 2022			Returns	35.6%	15.1%
			Volatility	34.1%	20.1%
			Sharpe	0.867	0.453

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

**LIGHTHOUSE
CANTON**

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	Period	Fund	Index
May-22	-5.8%	-4.5%	3 Months	-1.6%	-1.1%
Apr-22	-2.7%	-0.6%	6 Months	-6.0%	-3.4%
Mar-22	7.4%	4.2%	1 Year	13.3%	6.8%
Feb-22	-4.7%	-4.1%	3 Years	12.0%	13.2%
Jan-22	-1.3%	-0.4%	5 Years	11.8%	11.2%
Dec-21	1.5%	2.3%			
* Fund inception in December 2008 * Data as of 31 st May 2022			Returns	19.7%	11.8%
			Volatility	20.8%	21.7%
			Sharpe	0.658	0.267

Min Subscription : Rs 3 cr.

**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 is 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		Period	Fund	Index
May-22	-4.0%	-4.5%		3 Months	4.1%	-1.3%
Apr-22	1.6%	-0.7%		6 Months	8.1%	-3.6%
Mar-22	6.7%	4.1%		1 Year	14.2%	6.8%
Feb-22	-2.8%	-4.1%				
Jan-22	4.3%	-0.5%				
Dec-21	2.5%	2.4%				
* Fund inception in Jan 2020 * Data as of 31 st May 2022				Returns	24.3%	18.2%
				Volatility	14.3%	12.8%
				Sharpe	1.278	0.951

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 ~28% CAGR vs 10% 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

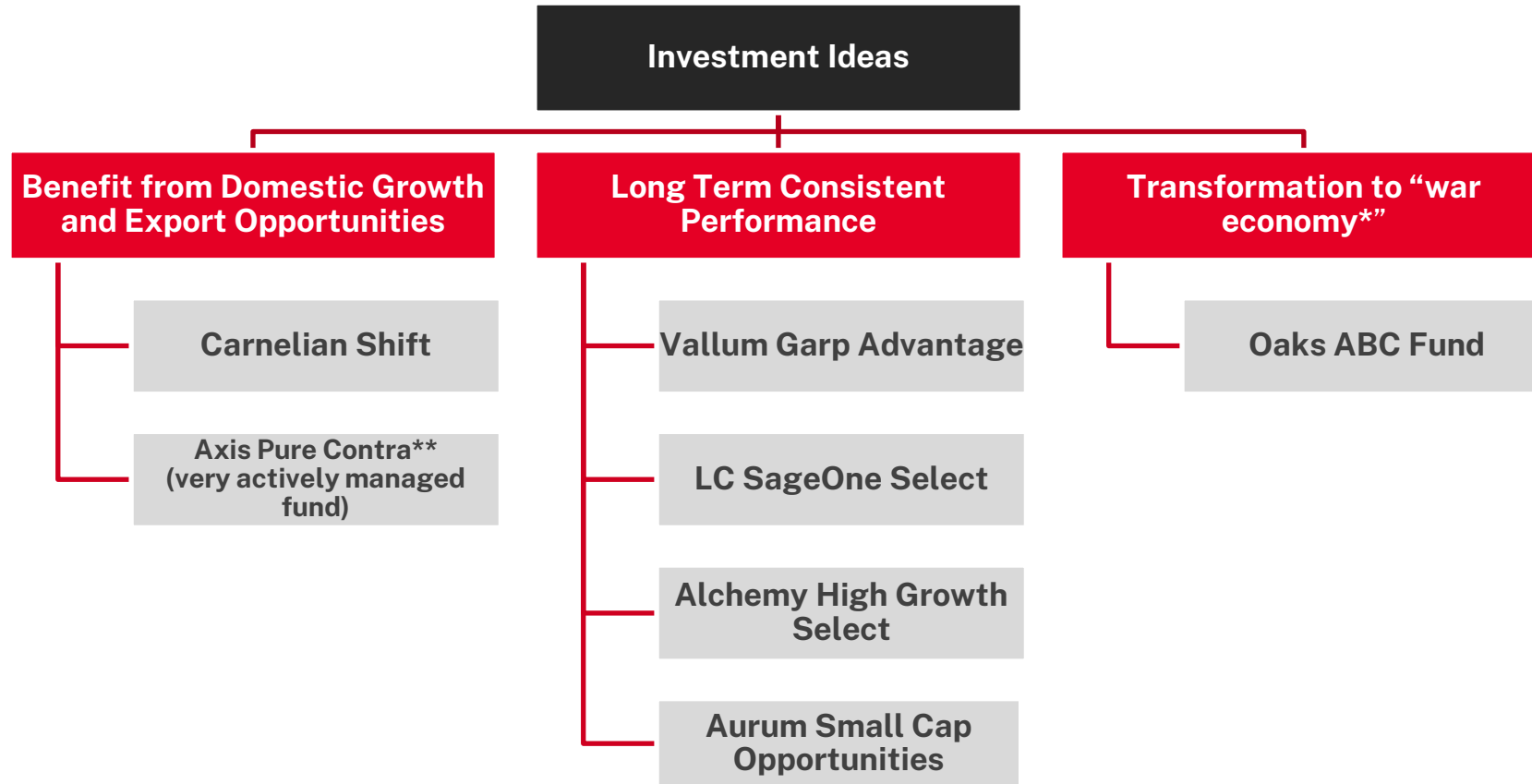
General information	
Fund Name	Aurum Small Cap Opportunities
Fund Management Firm	Nine Rivers Capital
Fund Managers	Sandeep Daga/Vivek Ganguly
Ref Index	NSE SmallCap 100
Category	PMS
Sub-Category	Long Only, Small cap
Fee	1 cr: 2% Fixed Fee + 20% share of returns above hurdle rate of 10%*
	5 cr and above: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

Track record					
Month	Fund	Index	Period	Fund	Index
May-22	-8.1%	-10.2%	3 Months	-1.2%	-6.5%
Apr-22	-2.0%	-1.7%	6 Months	-6.1%	-13.6%
Mar-22	9.7%	6.0%	1 Year	-0.8%	-0.6%
Feb-22	-10.1%	-11.4%	3 Years	22.0%	12.0%
Jan-22	0.1%	-1.5%	5 Years	11.4%	5.1%
Dec-21	5.6%	5.9%			
Fund inception in Dec 2012 Data as of 31 st May 2022			Returns	27.8%	10.1%
			Volatility	27.5%	27.1%
			Sharpe	0.793	0.153

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

“Bucketing” of Long Only Equity Strategies



**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

Recommended Debt Mutual Funds :

- We prefer to invest in short term bond funds and high quality roll down/target maturity funds across 2-5 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	Net YTM	Returns in %					Rating SOV/ AAA/ Cash
				1M	3M	6M	1Y	3Y	
SBI Short Term Debt Fund	11,929	1.09	5.46	0.2	(0.2)	0.3	2.2	6.0	78.0
ICICI Pru Short Term Fund	16,315	2.08	5.58	(0.0)	0.1	0.2	2.2	6.6	81.8
IDFC Bond Fund - Short Term Plan	10,673	2.18	5.66	(0.1)	(1.1)	(0.6)	1.2	5.8	100.0
Bharat Bond ETF - April 2025	9,888	2.35	7.11	(0.2)	(2.1)	(1.6)	0.8	-	100.0
DSP Corp Bond Fund	2,413	3.68	6.75	(0.5)	(2.6)	(2.1)	(0.3)	5.4	100.0
IDFC Gilt 2027 Index Fund	3,470	3.82	6.76	(0.4)	(2.1)	(2.6)	0.1	-	100.0
IDFC Gilt 2028 Index Fund	1,266	4.26	6.82	(0.4)	(2.1)	(2.8)	(0.1)	-	100.0
L&T Triple Ace Bond Fund	7,540	4.71	6.75	(0.3)	(2.3)	(2.7)	(0.2)	6.5	100.0
Bharat Bond ETF - April 2031	10,358	6.05	7.62	(0.5)	(3.0)	(3.2)	(0.8)	-	100.0

- Data Source – ACE MF
- Performance is shown on annualized basis beyond 1 year
- Returns as of 14th June, 2022

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	Period	Fund	Index
May-22	-0.6%	-0.6%	3 Months	-1.0%	-0.5%
Apr-22	0.5%	-0.7%	6 Months	-2.2%	-3.7%
Mar-22	-1.0%	0.7%	1 Year	1.1%	-1.7%
Feb-22	-0.9%	-0.7%			
Jan-22	-0.1%	-2.6%			
Dec-21	-0.2%	0.1%			
• Return as of May, 2022 • Inception in December, 2020 • Returns in USD			Fund Category		Weight
			Global Equity L/S		27.12%
			APAC Equity L/S		30.12%
			Long CDS		5.20%
			Macro Rel. Value		6.28%
			Merger and Spac Arb		8.04%
			Credit L/S		3.35%
			Multi Strategy		9.73%
			Vol. Rel. Value		10.15%

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

Tactical Opportunities

4

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	Period	Fund	Index
May-22	0.9%	0.5%	3 Months	2.6%	1.0%
Apr-22	0.8%	0.4%	6 Months	4.5%	2.1%
Mar-22	0.8%	0.1%	1 Year	9.1%	3.7%
Feb-22	0.6%	0.4%	3 Years	11.4%	3.9%
Jan-22	0.6%	0.4%	5 Years	11.7%	4.5%
Dec-21	0.7%	0.3%			
• Data as of 31st May, 2022 • Inception in October, 2009 *Returns have been calculated from May, 2010			Returns*	13.5%	6.04%
			Volatility	1.3%	0.9%
			Sharpe	5.799	0.042

Whitespace Alpha Fund I (Equity Plus)

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		Period	Fund	Index
May-22	-6.5%	-3.0%		3 Months	-3.5%	-1.3%
Apr-22	-1.8%	-2.1%		6 Months	-1.2%	-2.4%
Mar-22	5.1%	4.0%		1 Year	16.1%	6.4%
Feb-22	-2.9%	-3.2%		2 Years	52.3%	31.6%
Jan-22	1.1%	-0.1%				
Dec-21	4.2%	2.2%				
</						

* Performance fee is without catch up

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		Period	Fund	Index
May-22	-4.0%	0.3%		3 Months	-2.4%	1.0%
Apr-22	0.7%	0.3%		6 Months	1.9%	1.9%
Mar-22	1.0%	0.3%		1 Year	10.9%	3.7%
Feb-22	0.4%	0.3%		2 Years	13.9%	3.8%
Jan-22	1.6%	0.3%				
Dec-21	2.3%	0.3%				
- Data as of 31st May, 2022 - Inception in October, 2019				Returns	14.8%	4.2%
				Volatility	4.0%	0.3%
				Sharpe	2.171	--

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

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	Period	Fund	Index
May-22	0.6%	-3.0%	3 Months	3.1%	-1.3%
Apr-22	0.4%	-2.1%	6 Months	4.0%	-2.4%
Mar-22	2.2%	4.0%	1 Year	10.5%	6.4%
Feb-22	0.3%	-3.2%	2 Years	19.7%	31.6%
Jan-22	-0.3%	-0.1%	3 Years	15.3%	11.6%
Dec-21	0.9%	2.2%			
- Data as of 31st May, 2022 - Inception in August, 2018			Returns	16.2%	10.4%
			Volatility	9.4%	20.3%
			Sharpe	1.086	0.215

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