

The logo for Titanium SIF, with 'TITANIUM' in a metallic, 3D-style font and 'SIF' in a bold, green, sans-serif font.

**TITANIUM SIF**

Offered by Tata Mutual Fund

# Titanium Hybrid Long-Short Fund

## Presentation



## Specialized Investment Funds (SIF)

is a new investment avenue, that offers innovative products and enables strategies with enhanced flexibility in portfolio construction under a regulated framework.



### Innovative

Featuring greater flexibility in use of derivatives and enhanced instrument limits with an aim to provide higher Risk Adjusted Returns.



### Premium Ticket Size

Designed for investors with a ticket size of at least ₹ 10 lakhs across SIFs at PAN level in an AMC.



### Regulatory Framework

Regulatory environment and taxation similar to Mutual Fund.

# Categories Under SIF

Investment Strategy as defined by SEBI:

## EQUITY

### 01 – Equity Long-Short Fund

Min equity: 80%  
Max Unhedged short exposure: 25%

### 02 – Equity Ex-Top 100 Long-Short Fund

Min Equity (stocks excluding top 100 stocks by market cap) – 65%  
Max Unhedged short exposure: 25%

### 03 – Sector Rotation Long-Short Fund

Min equity in upto 4 sectors: 80%  
Max Unhedged short exposure: 25%



## HYBRID

### 07 – Hybrid Long-Short Fund

Minimum equity: 25%  
Minimum debt: 25%  
Maximum Unhedged short exposure: 25%

### 06 – Active Asset Allocator Long-Short Fund

Dynamic investment across asset classes  
Max unhedged short exposure: 25%

## DEBT

### 05 – Sectoral Debt Long-Short Fund

Instruments of at least two sectors,  
Max single sector: 75%  
Max unhedged short exposure: 25%

### 04 – Debt Long-Short Fund

Investment across duration, incl. unhedged short exposure through exchange traded debt derivative instruments.

# Introducing Hybrid Long Short Category

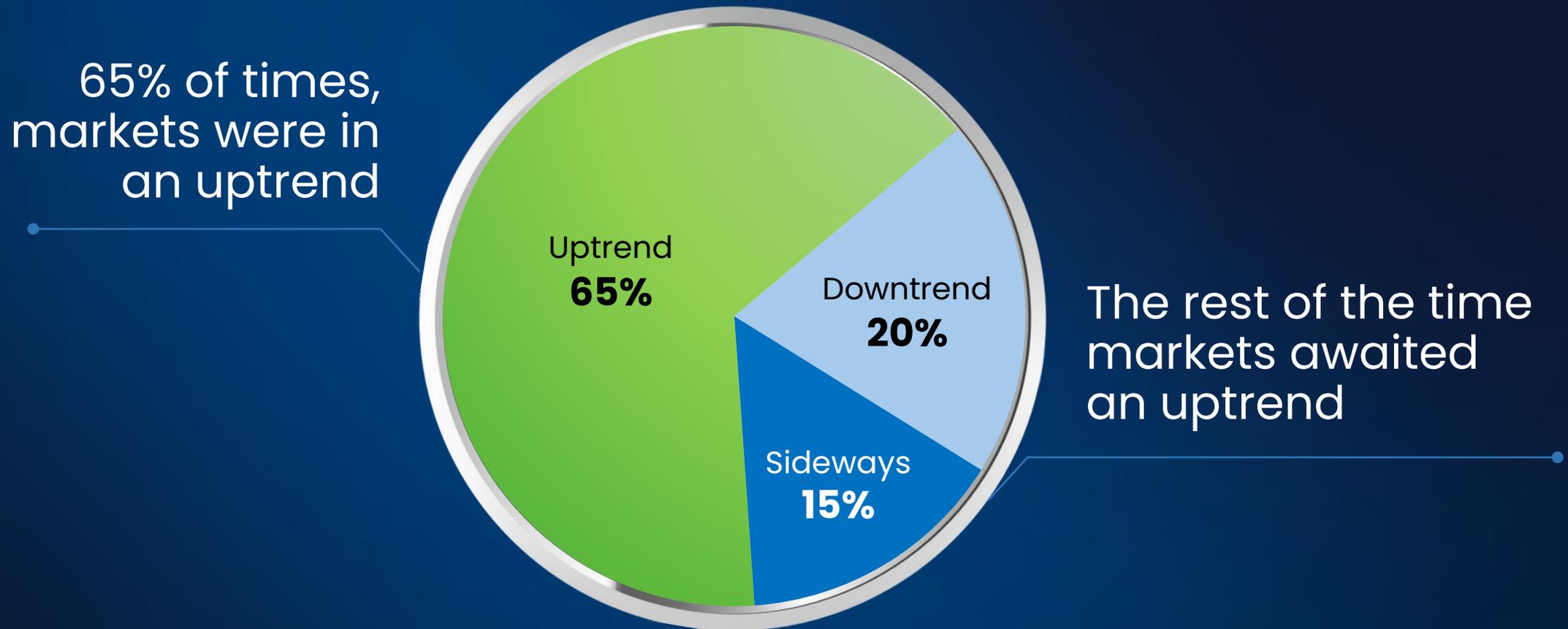


# Hybrid Long-Short Category Positioning

	Absolute Return Long-Short AIFs	Hybrid Category Mutual Funds	Hybrid Long Short Fund	Aggressive Long-Short AIFs	Long-Only Equity Funds
Portfolio positioning	Market neutral i.e. Zero net equity exposure	Multiple sub-categories with varied net equity exposures	Dynamic net equity exposure	Dynamic with aggressive net equity exposure	~100% Equity Exposure
Exposure	Market neutral taking equal long and short market positions	Long only Equity Use of derivatives is only for hedging	Gross exposure upto 100% of NAV including equity, REITs and InVITs, Fixed Income, and unhedged derivative exposure	High Gross exposures: Upto 200% of NAV including equity, REITs and InVITs, fixed income and unhedged derivative exposure	Long only equity
Risk Profile*	Low	Moderate to high basis sub-category	Moderately high	High	High to very High

# How Long and Short Derivative Strategies drive potential returns

Over the last 45 years, the market has spent time in uptrends, downtrends, and sideways phases.



# How Long-Short Strategies Drive Potential Returns

## Nifty 50



Stocks with -ve returns

Count	0	17	6	31	15	43	3	26	34	24	11	17	33	12	23	24	44	2	13	27	3	22
% share	0%	34%	12%	62%	30%	86%	6%	52%	68%	48%	22%	34%	66%	24%	46%	48%	88%	4%	26%	54%	6%	44%

Tactically manage Long – Short strategies to benefit from market movements



Each year some stocks give negative returns.



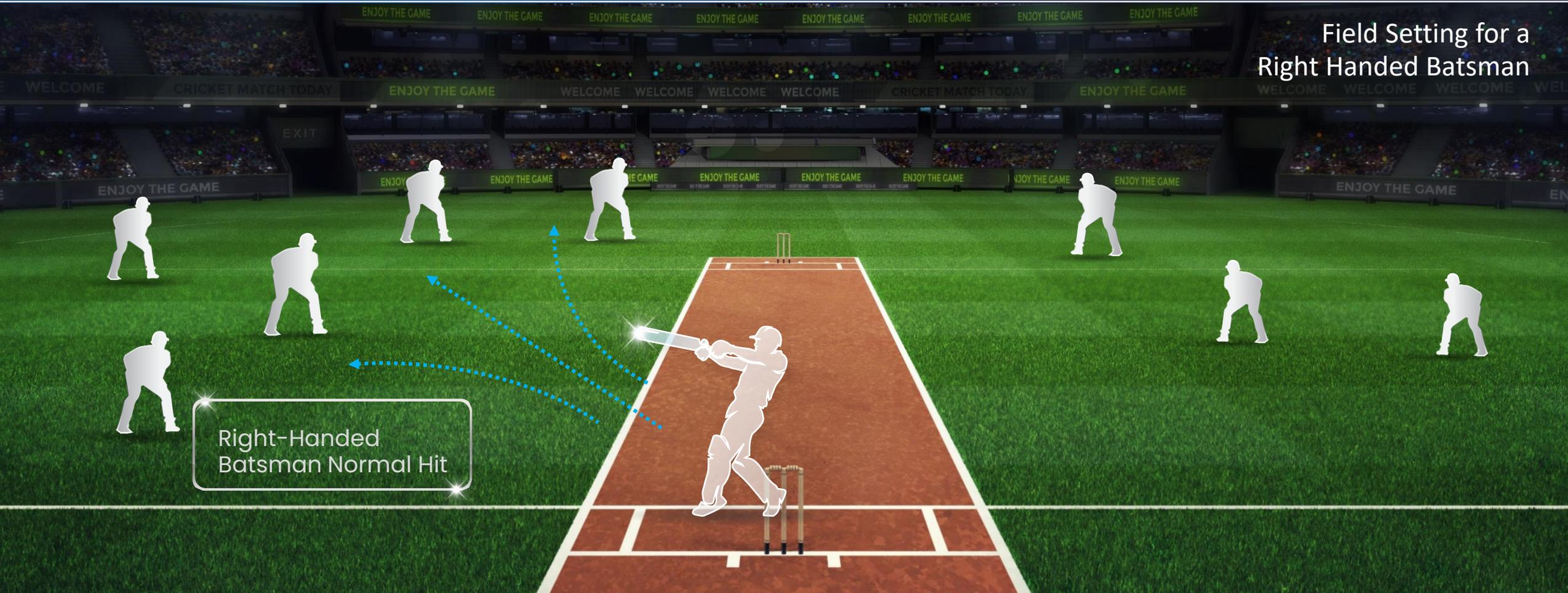
In certain years, it amounts to majority of the stocks.



Long-Short strategies may help reduce downside and drive returns

# Simplifying Long Exposures in the Portfolio

Field Setting for a  
Right Handed Batsman

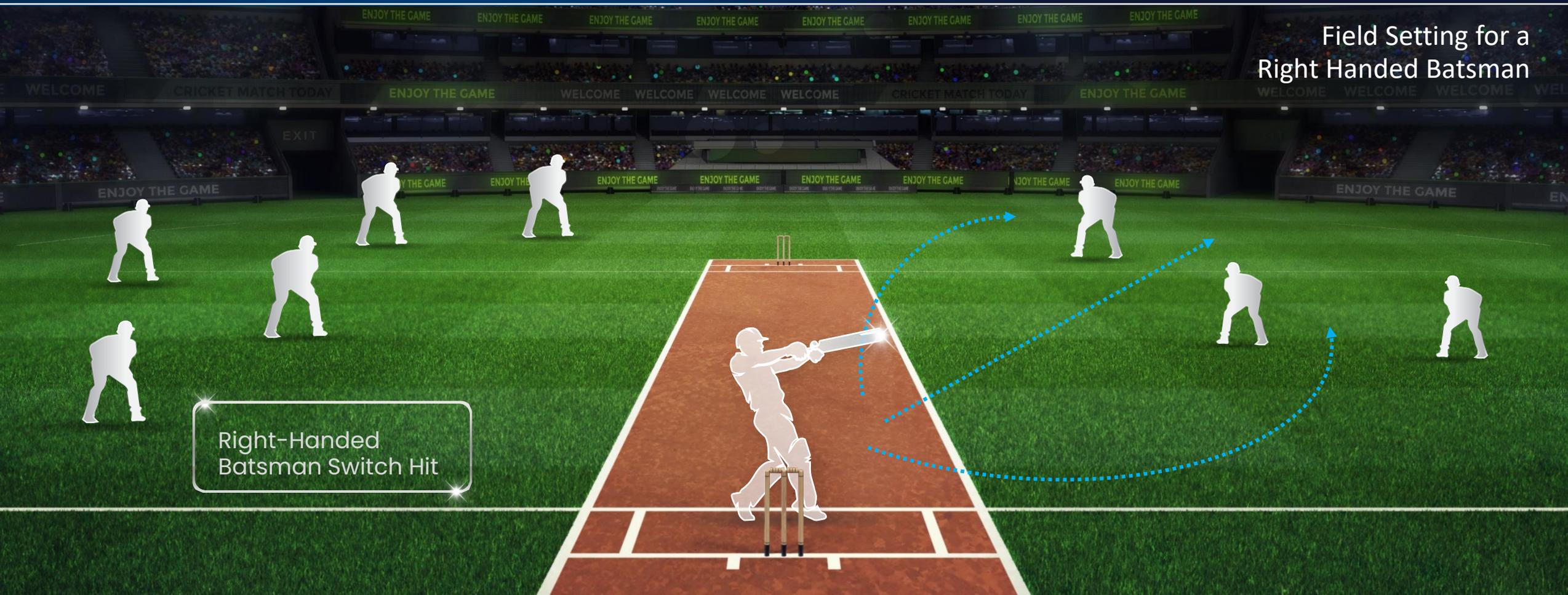


As a default, a right-handed batsman hits towards the leg side (left) to generate more power

When the market is on the rise, a default long positioning would drive higher returns

# Simplifying Long Exposures in the Portfolio

Field Setting for a  
Right Handed Batsman



When the situation changes, a right-handed batsman hits towards the offside to take advantage of the field setting

When the market is falling, a short positioning would take advantage of the market setting

# Understanding Long – Short

## Long and Short Equity: An opportunity to drive returns without relying on market phases

**Going Long:** Companies expected to do well on the back of earnings growth and improving future prospects

**Going Short:** Companies expected to see a negative impact

### Fundamental Analysis

Bottom of Earning Cycle  
Strong Financial Position  
Capable Leadership Team



### Fundamental Analysis

Top of Earning Cycle  
Fundamentals Deteriorating  
Poor Execution & Governance



### Technical Analysis



### Technical Analysis



### Tailwinds

Increasing Market Share  
Expanding Market



### Headwinds

Lacks Competitive Advantage  
Weak Earnings Trajectory



### Valuations

Reasonable Valuations



### Valuations

Unreasonable Valuations



# Role of Equity Derivatives in the Portfolio

Equity derivatives consist of long and short positions in stocks and indices via futures and options.



## Unhedged shorts – Futures and Options

Identifying weak or expensive stocks and aim to **benefit from their corrections**



## Long Futures & Options

Aiming to **generate return in select opportunities** by taking long positions



## Hedging

**Managing risk** during volatile market phases or expected sector/stock events



Introducing

---

# Titanium Hybrid Long-Short Fund

# Titanium Hybrid Long-Short Portfolio

## components

Unique combination of uncorrelated return drivers – aiming to reduce downside risk and capture upside to provide enhanced risk-adjusted returns



### Equity Long

Long-term bottom-up fundamental picks

Tactical opportunities



### REITs and InVITs

To benefit from growth in real estate and infrastructure related projects



### Long and Short Unhedged Derivatives

Benefit from select stock or index opportunities using Futures and Options via derivative strategies (such as paired trades, unhedged shorts, long derivatives, arbitrage.)



### Arbitrage

To benefit from the price difference without taking much risk using arbitrage strategy

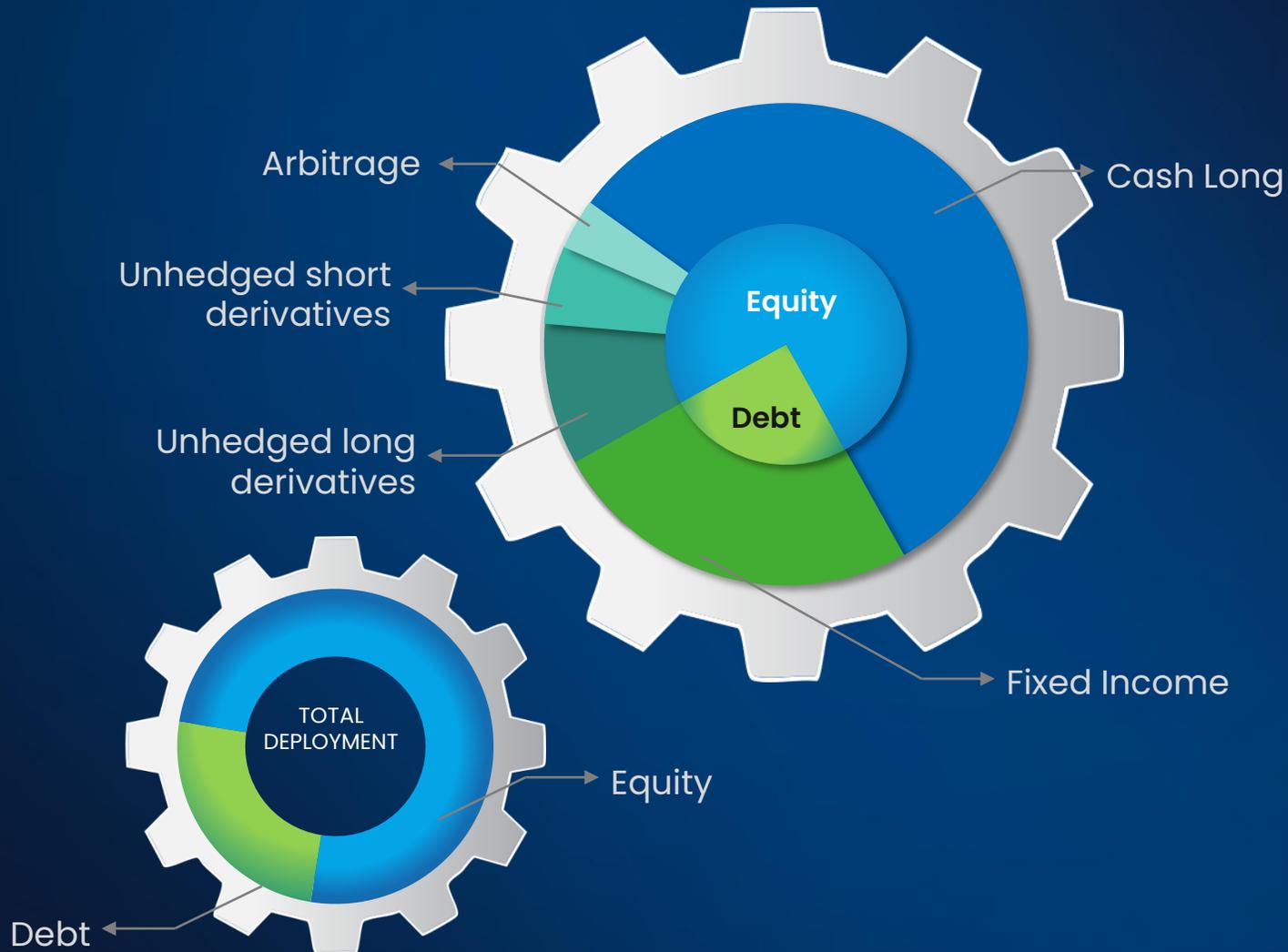


### Fixed Income

To benefit from the safety of debt

Dynamic Exposure + Lower Risk = **Enhanced Risk Adjusted Return**

# Investment Strategy & Allocations



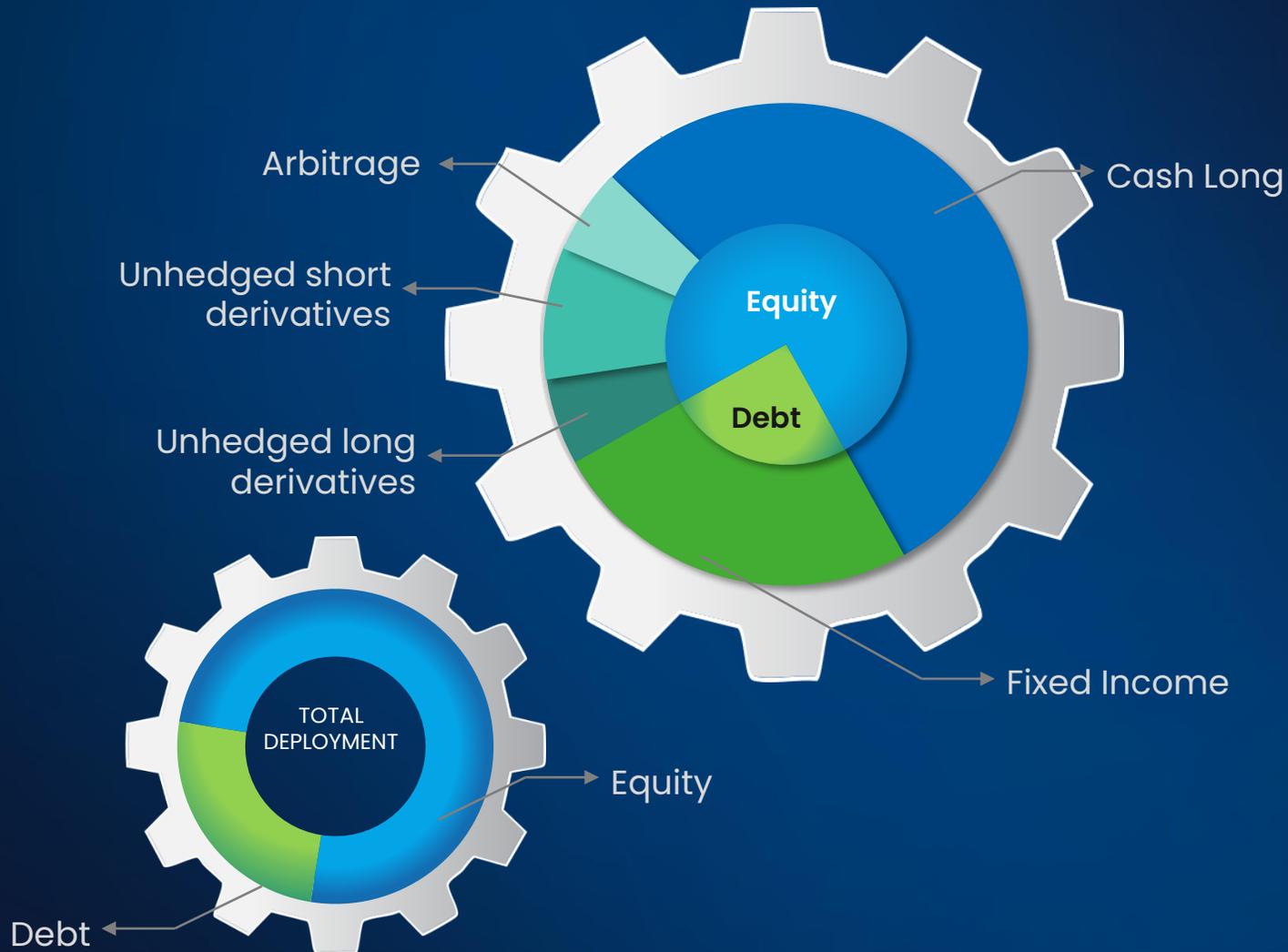
## When in a Market is in a Bull phase

Carries higher exposure to Cash Equity with minimal exposure to Hedged

Select Unhedged shorts

Rise in Long positions in tandem with rise in market to boost returns

# Investment Strategy & Allocations



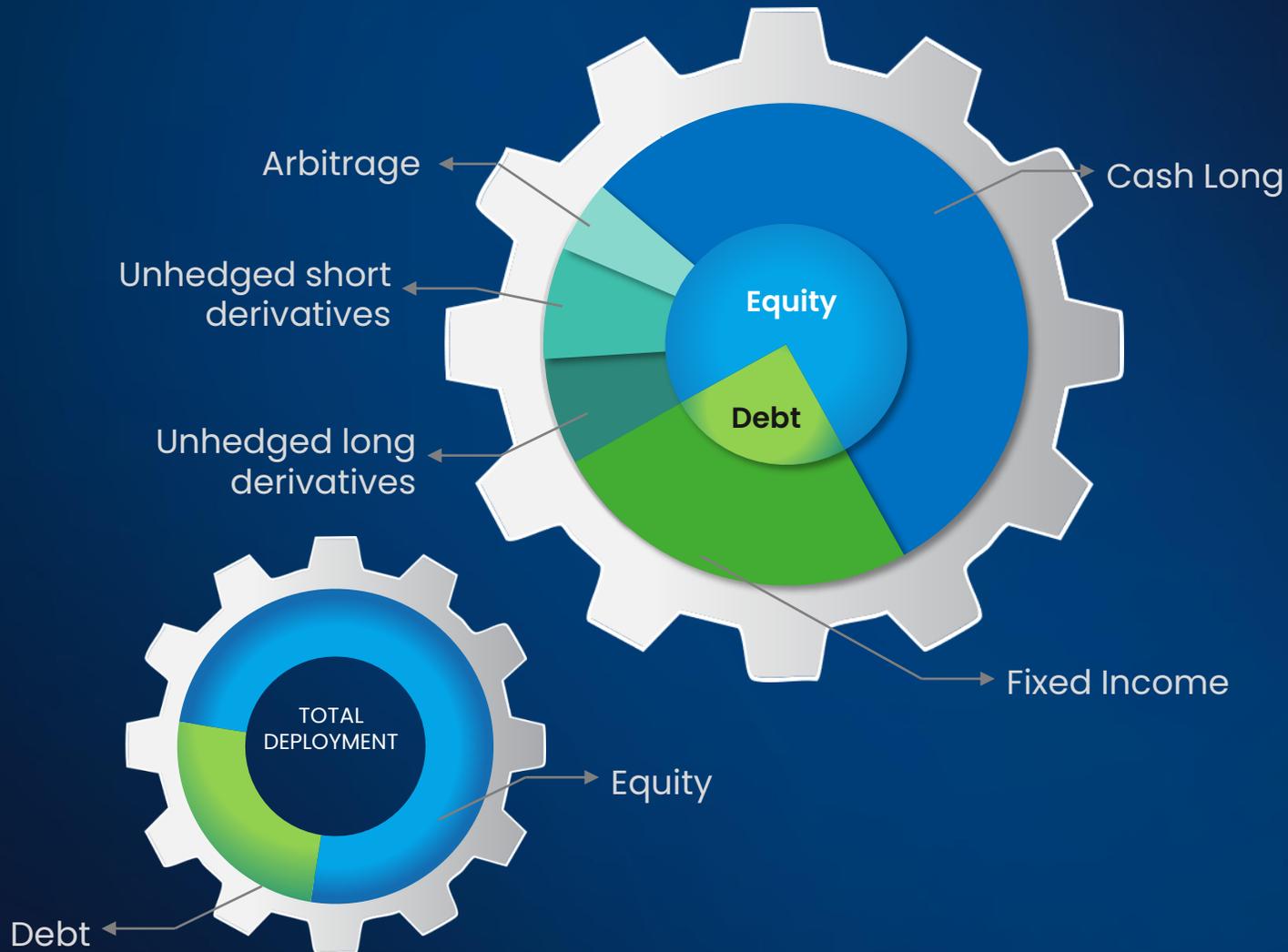
## When the Markets are overvalued

Carries higher short positions (Hedged and Unhedged) to capture return on the other side

Reduce allocation to cash equities or use hedge to limit drawdowns

Capture returns on both sides of the market and cushion drawdowns

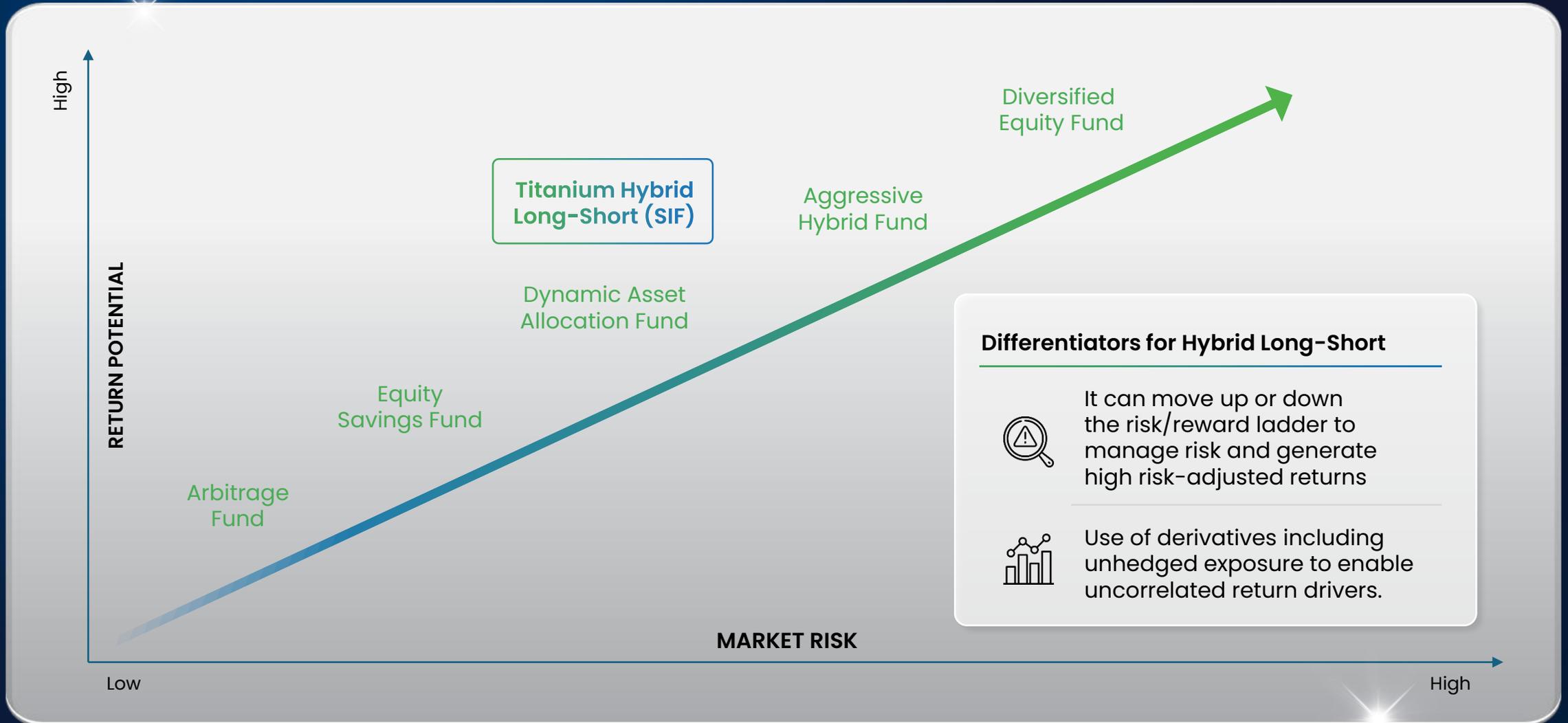
# Investment Strategy & Allocations



When the Markets are range bound  
Tactically manage allocation across cash equities, unhedged long and short derivatives

Long and Short positions are dynamically managed to reduce volatility

# Risk and Returns – Positioning for the Strategy





Seeks to identify strong businesses run by effective management available at reasonable valuations

# Portfolio Allocations



Strategy

Asset Class	Equity (Incl Derivatives)	REITs and InVITs	Fixed Income
Allocation/ Exposure	65-75%	0-10%	25-35%
Instruments	Equity and Equity related instruments (incl REITs and InVITs, cash equity,)  Hedged Derivatives: 0- 75% Unhedged Shorts: 0- 25%	REITs and InVITs	Active Debt

Title	Description
<b>Name of the Investment Strategy</b>	Titanium Hybrid Long-Short Fund
<b>Category of the Investment Strategy</b>	Hybrid Long-Short Fund
<b>Type of Investment Strategy</b>	Interval investment strategy investing in equity and debt securities, including limited short exposure in equity and debt through derivatives.
<b>Benchmark</b>	CRISIL Hybrid 50+50 - Moderate Index (TRI)
<b>Investment objective</b>	<p>To generate medium to long term capital appreciation by investing in equity and equity related instruments as well as debt and money market instruments, including limited short exposure in equity and debt through derivatives.</p> <p>However, there is no assurance that the investment objective of the Investment strategy will be achieved.</p>
<b>Subscription frequency</b>	Daily (All business days)
<b>Redemption frequency</b>	Redemption frequency – Once a month – First working day
<b>Minimum Application Amount/switch in</b>	The minimum aggregate investment by an investor across all investment strategies offered by Titanium SIF, at the Permanent Account Number ('PAN') level, shall not be less than INR 10 lakh.
<b>Exit Load</b>	<ol style="list-style-type: none"> <li>Redemption/Switch-out on or before expiry of 1 year from the date of allotment: 1%</li> <li>Redemption/Switch-out after expiry of 1 year from the date of allotment- Nil</li> </ol>

# TITANIUM SIF

Offered by Tata Mutual Fund

## Titanium Hybrid Long-Short Fund

This product is suitable for investors who are seeking

- Medium to long term capital appreciation
- Investing in equity and equity related instruments as well as debt and money market instruments, including limited short exposure in equity and debt through derivatives.

Risk-band



Benchmark Risk-band  
CRISIL Hybrid 50+50 -  
Moderate Index (TRI)



The above product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the characteristics of the investment strategy or model portfolio and the same may vary post NFO when the actual investments are made.

# TITANIUM SIF

Offered by Tata Mutual Fund

## THANK YOU

Investments in Specialized Investment Fund involves relatively higher risk including potential loss of capital, liquidity risk and market volatility. Please read all investment strategy related documents carefully before making the investment decision.