

# ANNUAL PERFORMANCE FY13-14

## Avalanche



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## The Year that was

As FY14 has come to a close and we had underlined the importance of safety of funds with the return objective in this volatile investment scenario. This report is a snapshot of a year which has been full of opportunities, learning, feedback and improvements.

iMoney Avalanche has grown from managing INR 95,60,000 as of 1 Apr -2013 to INR 1,65,60,000 on 31 Mar - 2014.

Coming close to our growth target of 24% for the FY-14, we have ended the year clocking a return of 23.40%.

We could not have achieved this without strong leadership and a clear vision.

We have incorporated ways for our investment partners to avail tax breaks in our fund.

Gursimran Oberoi

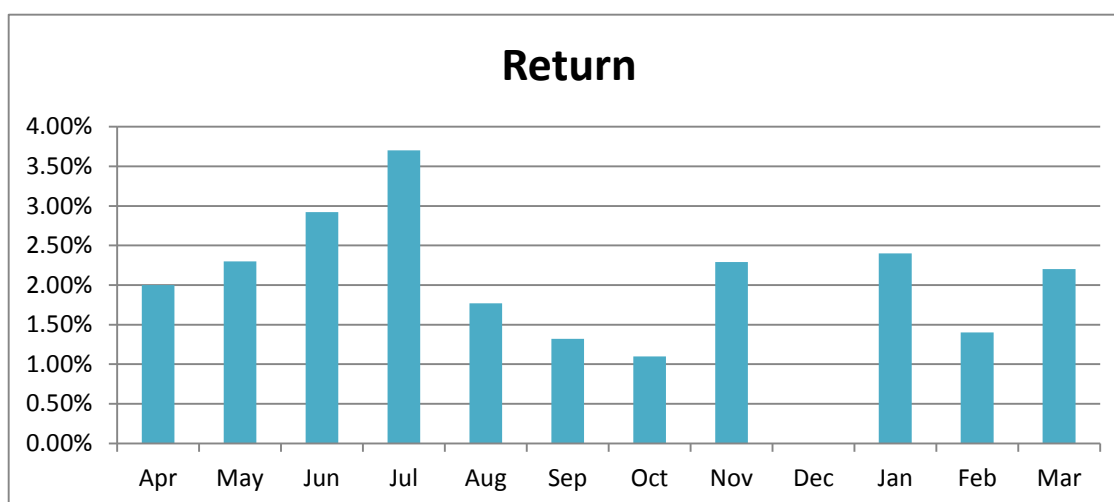
Jasmeet Singh



## “Avalanche” Fund

Investor interest in the fund has mainly revolved around two central themes. The first is the performance of the fund, which has managed to lock in 23.40% return (ABS) in FY-14.

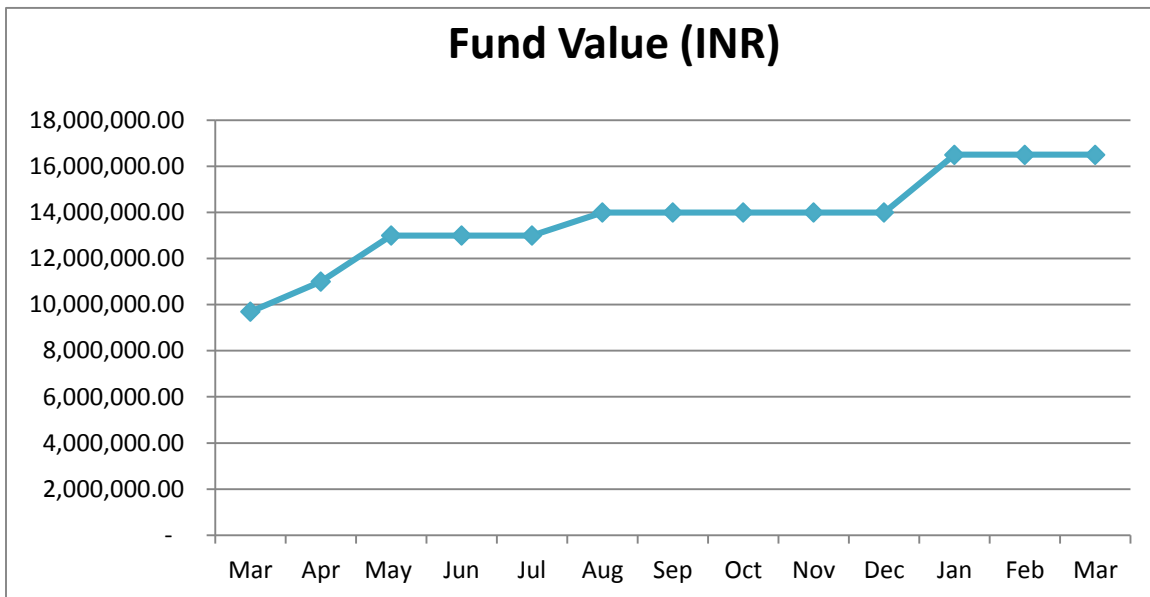
The second theme is the safety of the strategy. As the volatility in other asset classes still casts a shadow of doubt in the investors' mind, Avalanche continues to remain a 100% hedged strategy with the central focus of safety first and still putting up impressive numbers month on month. Meaning that the returns from the strategy are immune to the volatile moves of the market.



	Apr	May	Jun	Jul	Aug	Sep
<b>Return (%)*</b>	2.00%	2.30%	2.92%	3.70%	1.77%	1.32%
	Oct	Nov	Dec	Jan	Feb	Mar
	1.10%	2.29%	0.0%	2.4%	1.40%	2.20%

\* **Absolute Return**

The AUM continues to swell with the inflow of new funds and the positive returns

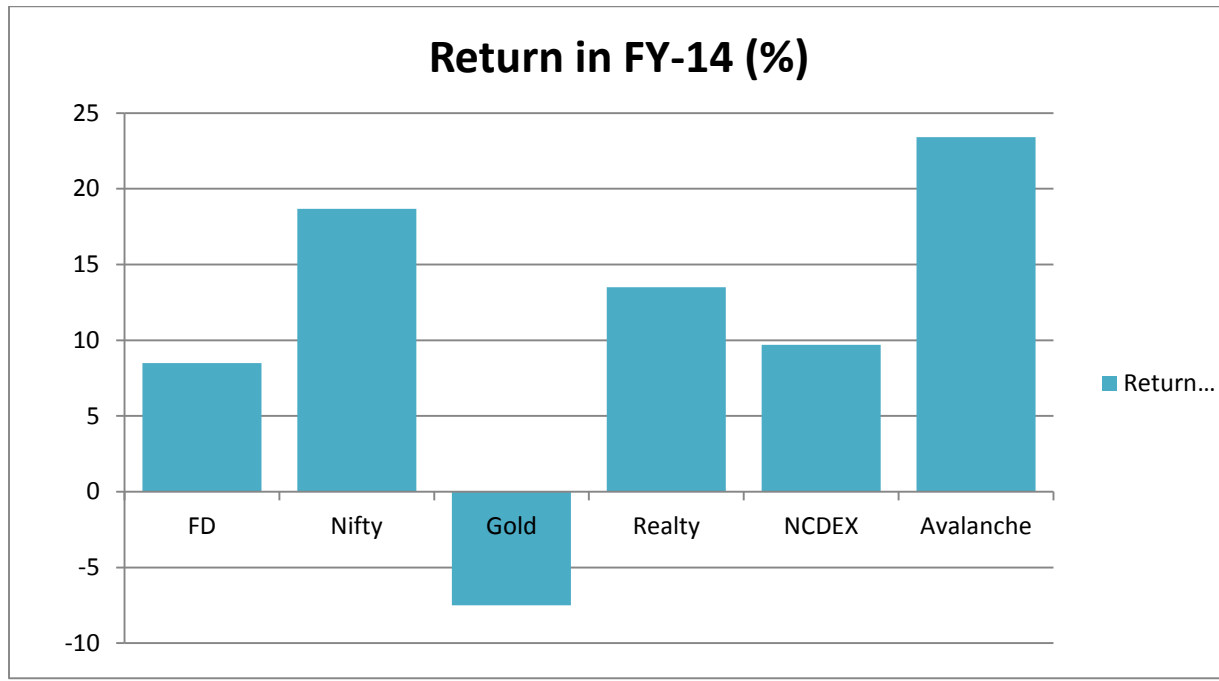


	Apr	May	Jun	Jul	Aug	Sep
<b>Fund Value(INR)</b>	96,91,636	1,10,00,000	1,30,00,000	1,30,00,000	1,40,00,000	1,40,00,000
	Oct	Nov	Dec	Jan	Feb	Mar
	1,40,00,000	1,40,00,000	1,40,00,000	1,65,00,000	1,65,00,000	1,65,00,000

This strategy enjoys full backing of commodities regulator - FMC (Forward Markets Commission) and the fact that neither banks nor mutual funds are allowed to invest in the commodities market means that the opportunity will remain lucrative for long and free from much organized competitors.

We have renewed our positions in Dhaniya and Castor Seed with the new arrival of crops in both commodities. Dhaniya has completed its upward move and Castor seed is pretty stable price wise. We continue to remain hedged in Dhaniya as of now.

# Does our Strategy beat the Market Benchmarks?



	FD	Nifty	Gold	Realty	NCDEX	Avalanche
Return (%)	8.5%	18.67%	-7.50%	-3.0%	9.70%	23.40%

The strategy aims at safety, stability and consistency. It avoids the volatile ups and downs of any market. Still the competitive returns make us a top performer beating the benchmarks easily, emerging as a top choice for investor funds.

## Does our strategy balance commitment and flexibility?

Investors now have the choice to avail tax breaks under certain conditions when invested with us.

New investor arrangements have been made to provide them with a base interest rate of 15% pa above an investment period of 1yr.

Such a feature goes on to show the amount of flexibility in the strategy and we at iMoney want the best for our partners and that we will take care of all kinds of investor needs.

# Fund Manager's Review

## Crafting a Winning Strategy

At the start of our financial year, I pointed out that partners key concerns were over the safety of the strategy and returns it would post. As per our plan, we executed a 100% hedged strategy throughout the year; promoting capital protection for our partners with an attractive return target of 24% for FY2014, which we achieved.

We had outlined this strategy in detail including a description of the key trends over the months that impact our industry and which informed our judgment about the strategic choices that we made. Based on this analysis, we came to the conclusion that the agro commodities are (a) going to have a growing supply-demand imbalance over a secular time horizon; (b) an attractive industry with strong growth prospects.

We remain committed to provide our partners with superior risk adjusted returns to support their long term investment needs.

Jasmeet Singh



# Strategy Manager's Statement

## Delivering Profitable Growth that Builds Intrinsic Value

For FY2014 Avalanche grew by 23.40%. We have achieved the target we set for ourselves. When we achieve our goals, we build intrinsic value for our partners, which is our Governing Objective. The FY2014 results, achieved under challenging market conditions, were not about maximizing short term performance but were achieved while investing and laying the foundation to shape the future direction of the Company. We have promoted a culture that demands combining financial accountability in the short term with long term thinking, backed by targeted investments to realize that vision.

Our financial performance in FY2014 clearly demonstrates us as a company with a clear winning strategy and strong execution of that Strategy.

The commodity markets are expected to explode even further in volume in the coming months. National exchanges like the NCDEX and MCX are actively launching new agro contracts, which translate to more opportunities in the future. The opportunities are vast and the returns provide a premium value to the investors over long term as well as medium term.

Gursimran Oberoi



# Economic and Market Outlook

The economy has had a tough year. A new elected government is around the corner and the onus will fall on them to remove the policy paralysis. The equity market seems to be accounting that and has been on the rise in the past year. Economies world over may see draught in commodity productions and price rise in export quality commodities is imminent. It serves well for the investors to have a cautious approach towards investing into equities and real estate. A diversified portfolio should have components of Avalanche and Debt funds in them to plan for uncertainty.



# Risk Management

Risk is inherent to the nature of any business, and the management and control of that risk a key contributor to our success. Our Risk function provides independent oversight of strategy-wide risks, and acts to ensure that risks are controlled through proactive risk mitigation measures.

iMoney's Risk function operates with the aim of fulfilling

4 key strategic goals:

- Preventing losses so as to protect the bottom line and ensure that our management team is aware of all significant risks.
- Enabling better decision-making through availability of reliable, actionable risk information to us.
- Contributing to the execution of our growth strategy by building understanding of new categories of risk.
- Developing a company-wide risk culture by building a shared understanding of our appetite for risk, a respect for risk and a capital protection mindset.



# Investor Communication

## **A key thrust area**

At iMoney, we believe it is important for us to communicate our business, strategic developments and financial results to our partners and at the same time understand their perspectives.

With the active involvement of the Managing Partners, the partners are periodically briefed on our interactions through our monthly and quarterly reports.

Earning investors' trust and confidence is at the heart of iMoney's investor relations efforts. The Company values strengthening partner relations through staying in touch with the investing community. We continue to embrace strong principles in corporate governance and transparency.

As a new initiative, our Fund Manager has taken to the World Wide Web as a blogger in order to get in touch with investors and share his views and insights on investing and several other things! The blog will be a great chance for the investors to understand the investment philosophy for the people behind the iMoney team:  
<http://valueguys.com/>



# iMoney Research Process

Each quarter, iMoney research team collects data from investors, farmers, traders and brokers that are actively making investments in this strategy. These investors, mostly OTC traders at various 'Mandis' (localized OTC Markets) are spread across India and are very good source of supply demand dynamics of a commodity along with other key data. Along with that, a propriety black box algorithm is used to track the opportunity on the electronic exchanges, thereby enhancing the returns.

Taking all the data into account the team is entrusted with the task of executing investment processes, due diligence systems, future allocation plans, tracking current and historical areas of exposure.



# Thank You

