

# A ABSOLUTE FINANCE

EDITION-45

## MASTER FUND & FEEDER FUND



DATE-  
26th  
December  
2021





## NATIONAL AND INTERNATIONAL

- EV stocks soared on hype in 2021 - investors are betting 2022 will bring actual revenue.
- U.S. opens investigation into 580,000 Tesla vehicles over game feature.
- GDP to grow 8.2% in FY23 with more downside .
- China regulator suspends cyber security deal with Alibaba Cloud.
- World economy to top \$100 trillion in 2022, India looks set to overtake France next year.
- HSBC to buy L&T's MF arm for \$425M.

## UPCOMING IPOs

- Aadhar Housing Finance Ltd
- ESAF Small Finance Bank Ltd
- Studds Accessories Ltd
- Chartered Speed Ltd
- Harsha Engineers Ltd
- Century Metal Recycling Ltd
- Powerica Ltd
- Bajaj Energy Ltd
- Samhi Hotels Ltd

## **NEW APPOINTIES**


**RAJEEV AHUJA**  
**(MD, RBL)**





# Banking & Finance

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- **Indipaisa partners with NSDL Payments Bank to launch a new Fintech platform targeting India's flourishing 63 million SME sector.**
  - **Centre begins consultation on setting up national database on cooperatives.**
  - **HSBC to acquire L&T Mutual Fund for \$425 million.**
  - **GigVistas partners with Alyve Health to launch health plans for gig workers.**
  - **SBI, Union Bank to go ahead with Swiss Challenge auction for KSK Mahanadi Power loans.**
  - **Airtel Payments Bank surpasses 1 bn transactions mark in Q2.**
  - **Online merchants can lose up to 40 pc revenues after December 31 due to tokenisation of user card info.**

## BEST FMCG COMPANIES



## FMCG

- **FMCG firms plan for contingencies as Omicron curbs loom**
- **Coca-Cola India Net Profit Declines 28.4% To Rs 443.4 Crore In FY21**

# INDUSTRIES GDP

## AUTOMOBILE



7.1%

## OIL & GAS



0.66%

## IT SECTOR



8%

- Pre-owned vehicle market in India likely to reach 8.2 Million units by financial year 2026.
- Govt to offer upto 50% of project cost to companies setting up chip plants.
- Auto parts sector rides on export, revenue up 65% in H1 Financial year 2022

- GAIL, Aditya Birla Capital among top 10 stocks to buy in 2022: HDFC Securities.
- Firm making blueprint for reuse of old GOM oil and gas assets.
- Industry set for worst discovery toll since 1946.

- D-Street week ahead consumption, IT, Pharma to put up a strong show.
- Boosted by localization, Indian electronics manufacturing sector to touch Rs 7 Lakh crore next fiscal.





# MASTER FUND & FEEDER FUND

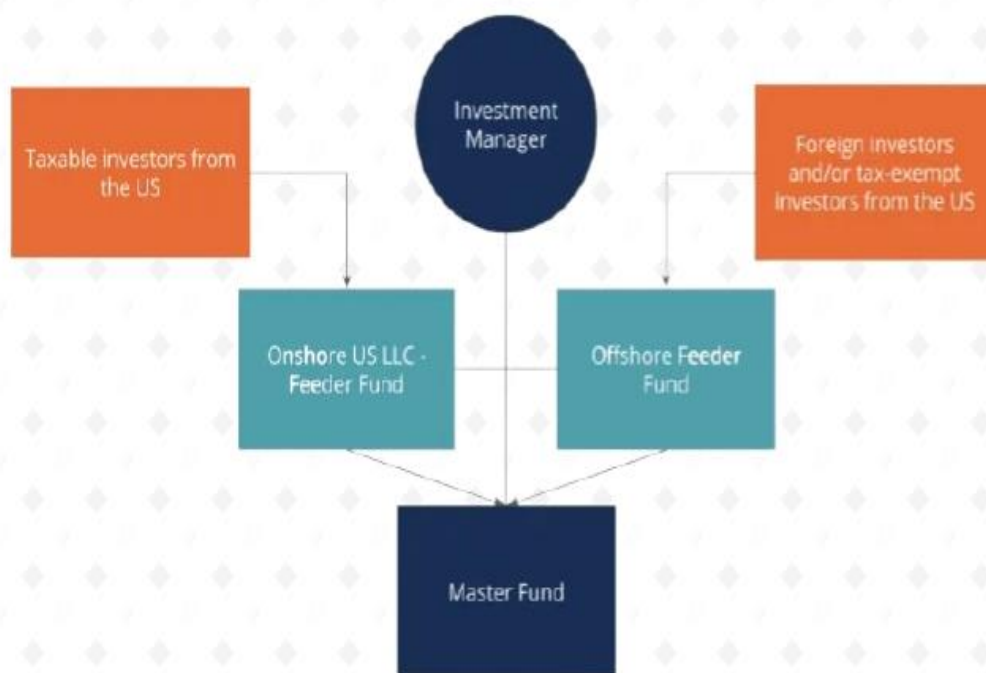
**A master-feeder structure is an investment structure used by hedge funds under which multiple investors invest in onshore and offshore “feeder” funds, which, in turn, invest in a larger “master” fund. The master and feeder funds are typically managed by the same designated investment manager, and investments are made in accordance with the partnership agreement.**

**The master-feeder structure allows investment managers to manage a larger pooled portfolio (i.e., the master fund) and provides investors with benefits such as tax gains, interest, income gains, and dividends – which are generated by the master fund. Usually, master-feeder structures include one onshore feeder fund, one offshore feeder fund, and one master fund.**

**A feeder fund is one of several sub-funds that put all of their investment capital into an overarching umbrella fund, known as a master fund, for which a single investment advisor handles all portfolio investments and trading. This two-tiered investment structure of a feeder fund and a master fund is commonly used by hedge funds as a means of assembling a larger portfolio account by pooling investment capital.**

**Profits from the master fund are then split, or distributed, proportionately to the feeder funds based on the percentage of investment capital they have contributed to the master fund**

# WORKING OF MASTER-FEEDER STRUCTURE



## ADVANTAGES

- Reduces trading cost
- Economies of Scale
- Diversity of Investors

## DISADVANTAGES

- Complex tax accounting
- Strategic conflicts
- Securities constrained by regional restrictions



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