



**PL Capital**  
PRABHUDAS LILLADHER

ASSET  
MANAGEMENT

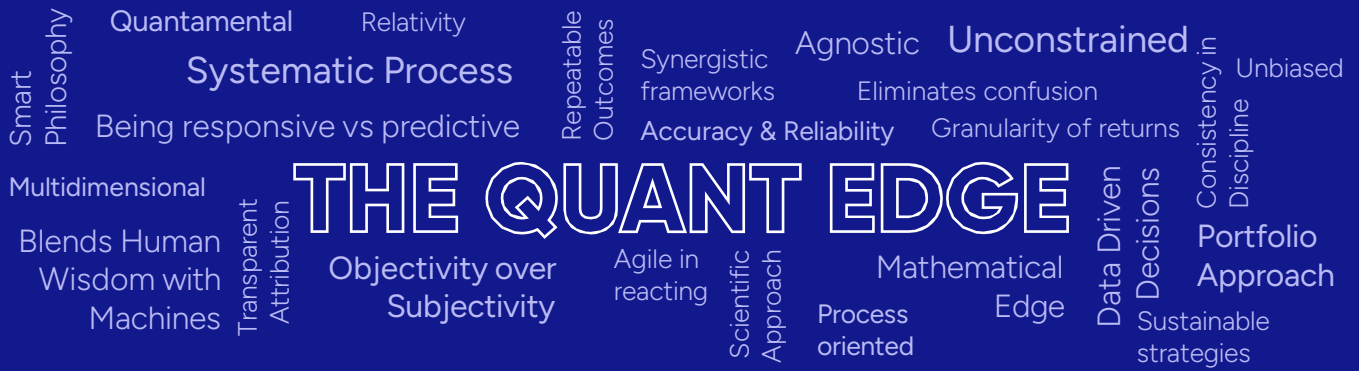
# MADP

Multi Asset Dynamic Portfolio

## ALPHA

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The Low Risk, All-Weather Strategy to  
Wealth Creation



Our Multi-Asset Quant Strategy employs a systematic, rules-based approach to dynamically invest across asset classes. This strategy aims to generate superior returns during risk-on periods while diversifying risk during risk-off periods, enabling us to sustainably capture alpha across market cycles.

## We Try To Get It Right By Integrating

- 1 Right Asset : Drives performance by 91 %\***  
 Right asset at right time > holding an asset at all times
- 2 Right Time : Enhances alpha generation & risk management**  
 Timely, systematic and objective review and rebalance > buy & hold driven by biases
- 3 Right Factors : Enhances performance by 80%^**  
 Blending multiple factors > choosing single factor

Source: ^PL, \*Brinson, Hood, Beebower. "Determinants of Portfolio Performance". Financial Analysts Journal, July-August 1986; Brinson, Singer, Beetbower. "Determinants of Portfolio Performance II: An Update". Financial Analysts Journal, May-June 1991.

## No Single Asset Class Performs Well Across Market Cycles



**Avoiding Losses**

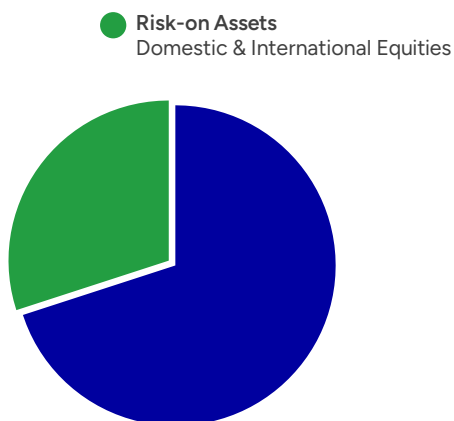
**Phases of Wealth Creation**

**Capturing Gains**

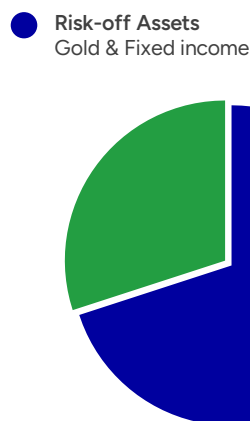


	Fixed income	Gold	Domestic Equity	International
<b>Purpose</b>	To protect capital and provide stability	Hedging, diversifying equity risk	Generate Alpha	Diversifying returns by geography and currency
<b>When</b>	Risk off phase & bear market	Volatile markets, risk off phase & equity bear market	Risk On phases & Bull market	Challenging period in domestic equity
<b>Regime</b>	Growth slowdown and recession periods.	Global risk off, inflation & weak sentiments	Liquidity & Economic Expansion	Liquidity expansion & global risk on
<b>Where</b>	Liquid and Bond ETF	Gold ETF	Large, Mid & Small cap stocks	Nasdaq 100 ETF

**Risk-on Period**



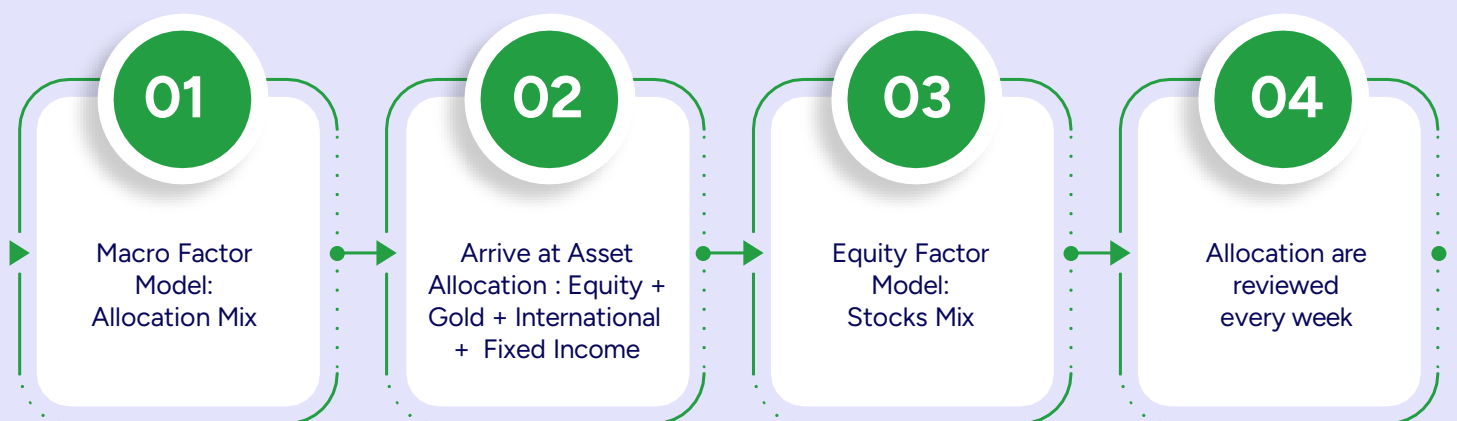
**Risk-off Period**



## Asset Allocation Framework For Aggressive Portfolio

- 1** Multi-factor using the equity strength model arrives at equity & non-equity allocations
- 2** Allocate to Domestic equities proportional to the equity strength ratio
- 3** Invest in 25 stock portfolio using the Multi-factor 360 strategy reviewed monthly
- 4** Allocate to International equities, if Domestic equities strength is low, but International is high
- 5** For non-equity allocation, Invest in Gold if Gold signal is buy
- 6** Invest in Liquid bees if Gold signal is sell
- 7** Review asset allocation model every week

## Rebalance Framework



## What Value Does Each Factor Add?

	Factors	Parameters	Why & What
<b>Fundamental</b>	Quality	>25	Provides Superior risk adjusted returns during non-trending markets and uncertain economic outlook. Evaluates fundamental characteristics of a business vs its history and industry peers.
	Growth	>10	Generates alpha during phases of economic expansion by participating in stocks with a robust growth trajectory. Evaluates Internal growth of a business vs its industry peers, its own history, and broader markets.
<b>Technical</b>	Low Volatility	>5	Experiences relatively lower drawdowns during bear markets. Stocks with low standard deviation, beta and historical risk metrics
	Momentum	>25	Enhances portfolio returns during phases of expanding liquidity leading to broad based bull markets. Assess absolute and relative momentum, along with risk adjusted return metrics versus all companies across long-medium- and short-term time periods.
<b>Macro</b>	Theme	>10	Helps position the portfolio in right themes and sectors likely to outperform. Stocks that are part of themes with improving or positive growth outlook, positive market interest and favorable risk reward
	Size	>5	Enables portfolio to adapt across market cycles by going underweight and overweight larger caps vs smaller caps. Evaluates market cap and changes there in to classify stocks into large, mid and smallcaps
<b>Risk</b>	Value	>10	Generates alpha during macro and monetary regime shifts. Evaluates fundamental valuation attractiveness of a security vs history, industry peers, relative premium/discount to index, and broader markets.
	Liquidity	>5	Ensures that the portfolio holds liquid and adequately traded securities that enable reducing slippage, impact cost and other transaction costs. Evaluates free float market cap, turnover, trading activity, traded volume, delivery data to assign a liquidity score to each security

# Investment Strategy Objective - Systematic Alpha Generation by design, not chance

6S Framework To Deliver Sustainable Investment Success



Investment Framework

## Style Agnostic

No predetermined style biases or tilts

## Sector Rotation

Relatively superior themes

## Superior Fundamentals

Relatively robust quality and relative higher growth

## Sound Valuations

Relatively cheaper valuations

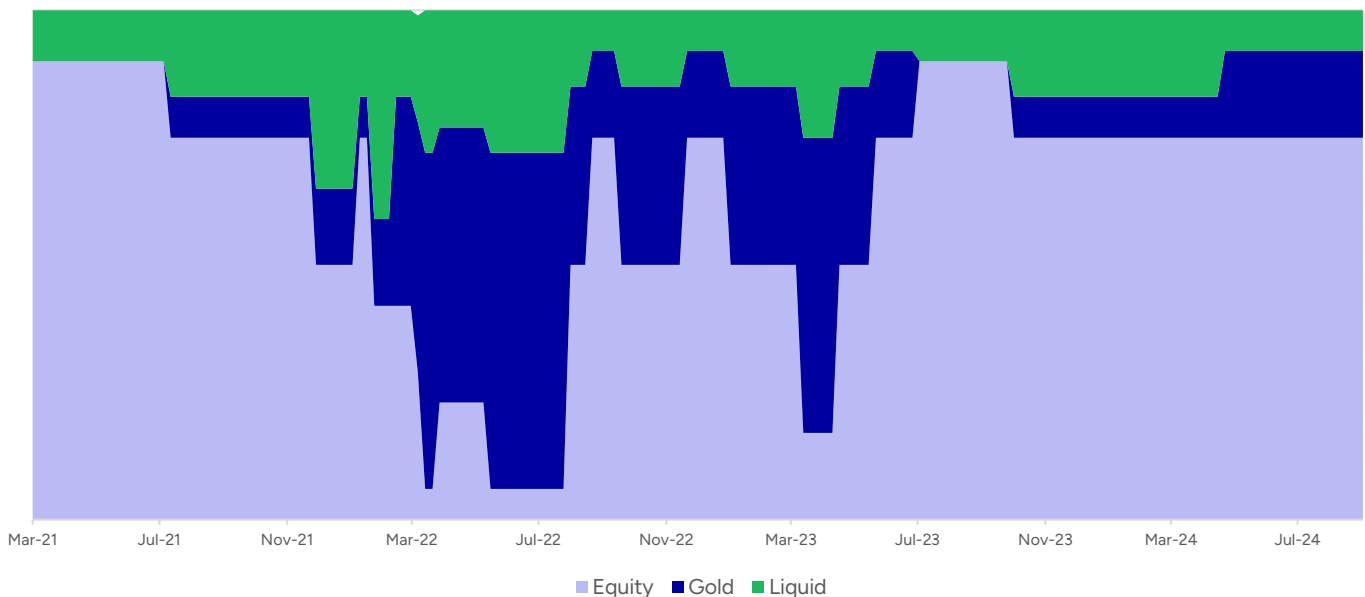
## Strong Technicals

Relatively stronger momentum and relatively lower volatility

## Smart Risk Management

Timely rebalancing, dynamic asset allocation, smart beta management, while investing only in liquid stocks with superior fundamentals

## Historic Asset Allocation Chart



# Key Highlights of MADP

**1** **Tactical Asset Allocation Strategy**  
to capture upside in favourable times and protect downside in challenging times

**2** **Diversified Portfolio**  
that Invests across Fixed Income, Precious Metals, Domestic & International Equities

**3** **Uses a Multi-Factor Quant Model**  
that captures macros, liquidity, trend, risk, valuations and sentiment to dynamically allocate across Asset classes

**4** **Sustainable Outperformance**  
A Multi Asset Strategy aimed to generate consistently superior returns across market cycles

**5** **Adaptive across Risk on-off phases**  
Manages risk by going defensive and generates returns by going aggressive at opportune time

**6** **Superior Returns Lower Volatility**  
It aims to generate healthy returns that beat inflation, debt, gold and equity indices returns over the long term while keeping the portfolio's volatility very low

# SMART Investment Philosophy

In the world of smart phones, smart TVs, smart cars and smart homes, we bring to you smart investment strategies



<b>S</b>	<b>M</b>	<b>A</b>	<b>R</b>	<b>T</b>
<b>Systematic Design</b>	<b>Measurable Performance</b>	<b>Adaptive Models</b>	<b>Repeatable Alpha</b>	<b>Transparent Attribution</b>
using a rules-based approach to eliminate emotional & behavioral biases	tested rigorously across market cycles for sustainability	that dynamically respond to changes across multiple dimensions	driven by unconstrained and objective processes	using data-driven multi-factor frameworks to enhance reliability

## MADP Alpha Strategy Back-tested performance:

Period	MADP Alpha	Nifty 500	Alpha
1 Year	38.74%	15.98%	22.76%
3 Year	35.98%	12.58%	23.40%
5 Year	29.61%	13.83%	15.79%
7 Year	24.25%	11.57%	12.68%
10 Year	29.96%	10.37%	19.59%
15 Year	27.48%	11.53%	15.95%
Since Inception	26.15%	12.32%	13.83%

Source: PL | Data from 03rd July 2006 till 20th September 2023

Note: All returns and ratios are net of expenses, fees and associated costs. These are back-tested results of the inhouse Quant Model & not actual returns. Above returns are only for indicative purposes, which can evolve with the continuous improvement of the model and there is no assurance or guarantee that the objectives of the investment will be achieved as investment in securities is subject to market risk.

## MADP Alpha Strategy Live performance:

Period	MADP Alpha	Nifty Multi Asset	Alpha
1 month	-0.78%	1.47%	-2.25%
3 month	0.06%	5.12%	-5.05%
6 month	15.22%	12.31%	2.91%
1 Year	32.66%	25.12%	7.54%
Since Inception	34.75%	23.99%	10.76%

Source: PL | Data as on 30th September, 2024 | Inception Date : 21st September 2023

Note: All returns and ratios are net of expenses, fees and associated costs.





**PL Capital**  
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**ASSET  
MANAGEMENT**

Join the Quant revolution with our

# MADP ALPHA PMS

REACH OUT TO US



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Disclaimer: Strategy may invest substantially in domestic equity and other exchange traded financial instruments Equity securities and equity related securities are volatile and proven to price fluctuations The liquidity of investments made in the portfolio may be restricted by trading volumes and settlement periods Settlement period may be extended significantly by unforeseen circumstances The inability of the portfolio to purchase the intended securities due to settlement problems could cause the portfolio to miss certain investment opportunities Similarly, the inability to sell securities, held in the strategy's portfolio may result, at times, in potential losses to the strategy, should there be a subsequent decline in the value of securities held in the strategy's portfolio Investment in Securities is subject to market risk and there is no assurance or guarantee that the objectives of the investment will be achieved, as with investment in securities, the value of portfolio may go up or down depending upon the factors and forces affecting the capital markets and the portfolio manager is not responsible or liable for the losses resulting from the operations of the portfolio Investments in equity and equity related securities involve a degree of risk and investors should not invest in the strategy unless they can afford to take the risk of losing their investment Performance related information is not verified by SEBI.