

PRABHUDAS LILLADHER PORTFOLIO MANAGEMENT SERVICES

JUNE 2022



The PL Edge

Prabhudas Lilladher is one India's Oldest and Most trusted Equity Advisor, since 1944. With an Industry leading inhouse research team of **45+** members and Coverage on Around **250 Stocks**, we are renowned for our research and advisory services. With an experience research & investment management team backed by our robust investment framework, we believe we have a deep EDGE in helping clients compound their wealth over the term, by benefiting from the structural growth story that India has to offer.

PL has demonstrated industry leading expertise since 1944 in the field of Equity Research & Advisory Services. We bring you the best of our research and advisory services in the form of Investible PMS Strategies, there by enabling you benefit from our Strong Investment DNA and Advisory services in the form of Products.



**Industry leading
Research DNA**



**Experienced & Diverse
Investment Team**



**Strong Management
Access**



**Robust Investment
Framework**



**Trusted
Since 1944**



**Expertise & experience
of 8 Decades**

Portfolio Management Service (PMS)

PL's In-house PMS

Multi-Strategy

- **Asset** : Multicap Equity
- **Style** : Top Down + Bottom up Fundamental Research
- **Strategy** : Balanced Blend of Quality, Growth & Value
- **Risk Profile** : Moderate to Aggressive Investors
- **Ideal Time Horizon** : 3 to 5 Years

Multi-Asset Dynamic Portfolio (MADP)

- **Asset** : Multi-Asset
- **Style** : Quant based
- **Strategy** : Dynamic Asset Allocation
- **Risk Profile** : Conservative to Moderate Investors
- **Ideal Time Horizon** : 3 to 5 Years



Consistent Performance
For Long Term Growth
Backed-up By

**PL's Award Winning
Research**

PL's Multi-Asset PMS – An Overview

Multi-Asset Dynamic Portfolio (MADP PMS) for Conservative to Moderate Investors

About Multi Asset Dynamic PMS:

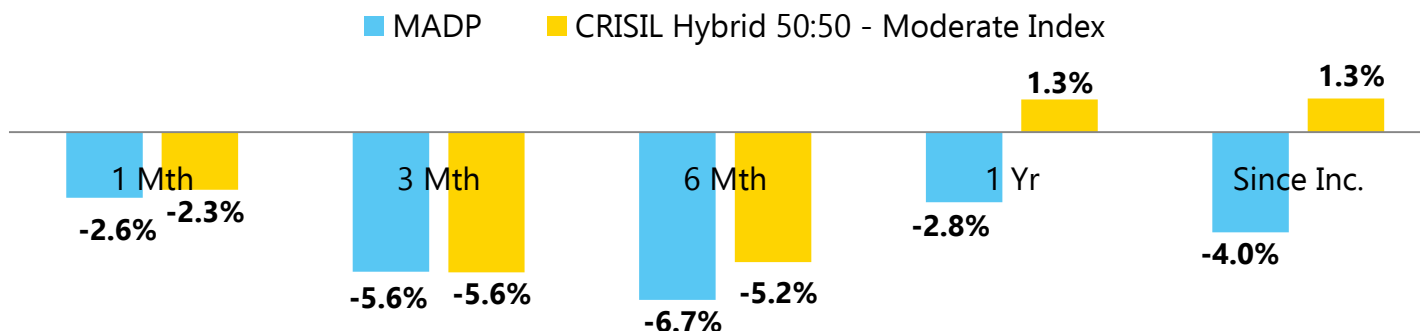
Quant-based Tactical Asset Allocation Strategy with exposure across asset classes generating steady returns across market cycles and limiting drawdowns in volatile markets, by investing in Index Funds and ETFs.

Investment Strategy:

The asset allocation is done by our Proprietary Quant models. Accordingly, our Model assigns weights to asset classes as per output of the meters, purely based on data and rules, avoiding any human and emotional biases.

Fund Manager: Mr. Siddharth Vora

Performance as on 30/06/22



KEY HOLDINGS

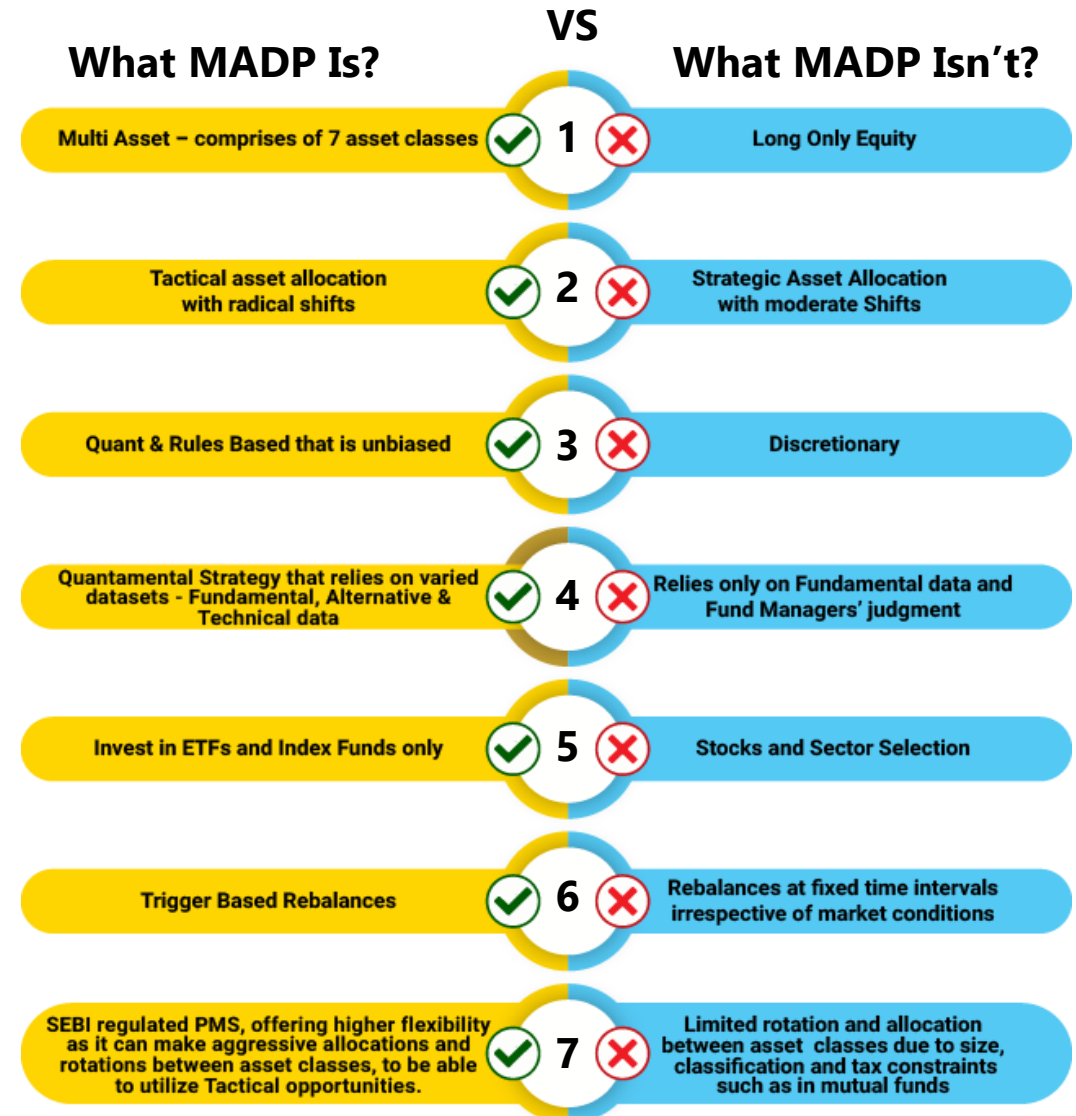
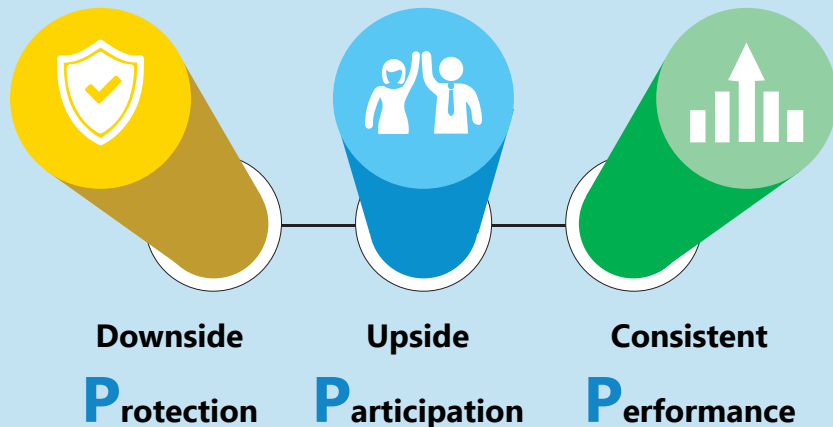
1. Nippon India Nifty Bees
2. Bharat Bond 2025
3. Cash & equivalents
4. Nippon India Gold Bees
5. Nippon India Midcap 150 ETF

- **AUM ~ Rs. 50 Crore**
(as on 30/06/22)
- **Suitable for Conservative to Moderate Investors looking for high risk-adjusted returns in the long term.**
- **Minimum Investment: Rs.50 Lakhs**
- **Fixed Fee Plan: 2.25% fixed p.a**
- **Hybrid Fee Plan : 1.25% fixed p.a + 15% Profit Share above 10%**

Strategy Overview

Multi Asset Dynamic Portfolio (MADP) is a 100% quant-based tactical asset allocation strategy created by Quantifi that invests only in passive instruments (index funds and ETFs). Quantifi is Prabhudas Lilladher's specialized quantitative research and investment management arm. The strategy is only available as a discretionary PMS to avoid greed and fear of investors.

Our Strategy is based on 3Pillars



Multi-Asset Dynamic Portfolio (MADP PMS)

Multi-Asset PMS

Strategy that invests in passive instruments to preserve capital in bad times and grow capital in good times



Passive Investing via Index Funds & ETF

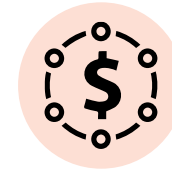
NO

- Fund Manager bias
- Stock Selection risk
- Sector Selection Risk
- Style Selection Risk
- Asset Concentration Risk



Indian Equity

Across Large Cap & Mid Cap via Index Funds & ETFs



International Equity

S&P 500 & Nasdaq via Index Funds & ETFs



G-Sec, Liquid & Corporate Bonds via Index Funds & ETFs



Gold via Gold ETF

MADP investments in above 4 asset categories are based on advanced **proprietary Quant Meters** developed by PL

It Uses Over 100+ Data Points Across Sectors, To Deliver The Magic!

Monetary meter

Quantifies Global Interest Rate Cycles & Liquidity Regimes



Sentimeter

Quantifies Domestic & Global Equity Market Sentiments



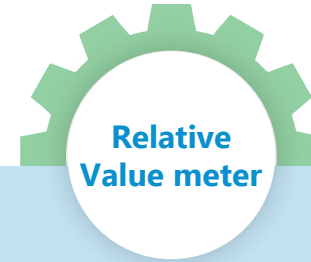
Technometer

Evaluates Technical Risk Reward for Domestic & Global Equities



Relative Value meter

Relative attractiveness of smallcaps vs large caps across Domestic & global equities



Inflation meter

Forecasts domestic and global inflation.



MADP METERS

Macrometer

Macrometer

Identifies Domestic and Global Economic Cycles & Regimes



Cyclometer

Cyclometer

Tracks Domestic & Global Equity Market Valuation Cycles



Global RORO

Global RORO

Global Financial Risk Appetite across asset classes



Multi Asset Momentum meter

Multi Asset Momentum meter

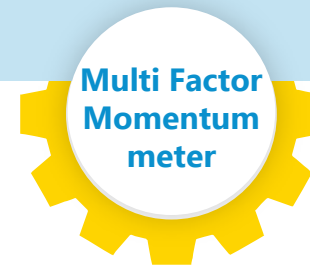
Captures Absolute & Relative Momentum across Asset Classes to capture trend



Multi Factor Momentum meter

Multi Factor Momentum meter

Absolute and relative trend across equity style factor indices



Volatility meter

Volatility meter

Captures Captures Volatility based market Regimes



Limiting Drawdowns. Generating Alpha. Compounding Wealth.

Rolling Returns		MADP	Nifty 50	Junior BEES	Midcap 150	Smallcap 250	S&P 500	Nasdaq 100	Gold	Gilt	Corporate Bond	Liquid Funds
3 Years CAGR	Best	31.9%	26.4%	39.2%	35.0%	36.1%	30.5%	41.2%	32.5%	14.0%	11.5%	6.1%
	Worst	6.6%	-2.2%	-4.2%	-10.0%	-16.7%	-8.1%	1.3%	-8.0%	2.4%	6.2%	2.6%
	Median	14.3%	10.3%	12.6%	12.6%	8.8%	11.9%	22.6%	11.8%	8.1%	9.2%	4.6%
	Average	16.3%	10.3%	13.0%	12.4%	9.6%	12.1%	21.2%	10.9%	8.3%	9.3%	4.7%
Standard Deviation		10.7%	24.2%	16.0%	27.0%	28.8%	19.2%	20.7%	13.7%	5.4%	2.5%	0.1%
Sharpe Ratio		1.1	0.2	0.3	0.4	0.6	0.0	0.8	0.5	-0.4	0.1	NA
5 Years CAGR	Best	23.6%	18.6%	26.7%	24.3%	25.8%	25.8%	33.2%	26.9%	11.5%	10.9%	5.9%
	Worst	7.6%	-0.7%	-0.5%	-2.1%	-7.4%	-2.5%	7.5%	-2.6%	4.1%	6.8%	3.2%
	Median	13.7%	10.6%	12.6%	11.8%	10.0%	13.1%	22.3%	8.1%	8.6%	9.3%	5.1%
	Average	15.0%	10.1%	12.9%	12.0%	9.5%	13.1%	21.5%	9.3%	8.3%	9.2%	4.8%
Standard Deviation		8.9%	20.2%	15.8%	23.6%	26.3%	17.6%	19.4%	12.3%	5.1%	2.3%	0.2%
Sharpe Ratio		0.9	0.3	0.1	0.2	0.1	0.2	0.8	0.4	-0.2	0.3	NA

Data till 17th June 2022.

India's Top Ranking Multi-Asset PMS for 4 consecutive months – MADP PMS

Period		Prabhudas Lilladher - MADP	Morning Star – Active Aggressive	Morning Star - Active Aggressive Plus	Morning Star - Active Balanced	Morning Star - Active Growth	First Global-Multi Asset	MADP Rank
As on 31 st March 2022	1M	2.79%	2.10%	2.55%	1.33%	1.76%	2.85%	2
	3M	-1.18%	-2.30%	-1.62%	-0.93%	-1.69%	-3.08%	2
	6M	-0.22%	-2.27%	-1.97%	-0.72%	-1.73%	-1.56%	1
As on 30 th April 2022	1M	-0.55%	-2.19%	-1.14%	-1.72%	-1.99%	-1.34%	1
	3M	0.82%	-3.63%	-1.98%	-2.20%	-2.98%	-3.49%	1
	6M	-1.91%	-5.42%	-3.42%	-3.11%	-4.52%	-2.86%	1
As on 31 st May 2022	1M	-2.48%	-1.48%	-3.17%	-1.32%	-1.68%	-4.60%	4
	3M	-0.31%	-1.97%	-1.83%	-1.72%	-1.94%	-3.95%	1
	6M	-3.98%	-4.33%	-4.22%	-2.79%	-3.79%	-7.11%	3
As on 30 th June 2022	1M	-2.62%	-4.91%	-3.77%	-2.74%	-3.97%	-2.66%	1
	3M	-5.56%	-8.70%	-7.88%	-5.67%	-7.46%	-8.40%	1
	6M	-6.68%	-10.80%	-9.38%	-6.54%	-9.03%	-11.91%	2

Source: PMSBAZAAR, As on 30th June 2022

PL's Equity PMS – An Overview

Multi Strategy (Equity PMS) for Moderate to Aggressive Investors

About Multi Strategy PMS:

A Multi-Cap & Multi-Style Long Only Equity strategy that aims to generate superior returns across market cycles by following a combination of Top Down & Bottom up Approach using PL's Proprietary **DNA +VE** Framework. The Strategy believes in creating a **balance** between agility and conviction, diversification and concentration, growth and value, and is open to rotation across Sectors & Factors to manage risks and generate returns.

Fund Manager: Mr. Siddharth Vora

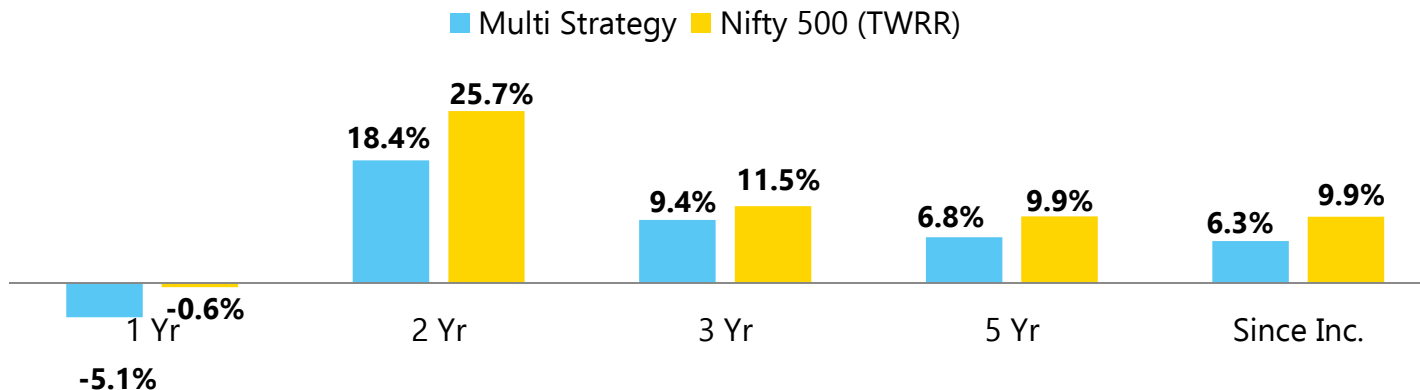
Investment Strategy:

Capture Superior Visible Growth at Economical Valuations in companies with a Strong DNA.

Portfolio comprises businesses that pass PL's proprietary **DNA + VE test**

Durable Growth Opportunity
Noticeable Right to Win
Ace Governance
+
Visible Superior Growth
Economical Valuations

Performance as on 30/06/22



KEY HOLDINGS

- **Motherson Sumi Wiring**
- **Bharti Airtel**
- **Gujarat Ambuja Exports**
- **Gujarat Fluoro.**
- **HDFC Bank**
- **Gland Pharma**
- **IIFL Wealth**

- **AUM > Rs. 100Crore (as on 30/06/22)**
- **Suitable for Moderate to Aggressive Investors who seek returns in the medium term.**
- **Minimum Investment: Rs.50 Lakhs**
- **Management Fees: 2.25% p.a**

PL PMS's In-house Investment Philosophy **The DNA + VE Test**

What Kind of Businesses do We Invest in ? Those with a Strong DNA

D

Durable Growth Opportunity

- Expansion in Addressable Markets - New Markets, New Product
- Large Headroom of Category Growth - Under-penetration
- Value Migration : unorganized to organized, unbranded to branded and uptrading to downtrading, tech disruption, commodity to speciality
- Favorable regulatory changes
- Changing consumer preferences
- Structural tectonic market shifts

N

Noticeable Right To Win

- Dominance in Scale (among top 5 in the space & growing)
- Specialization/ Differentiation driving superior growth by reducing competition and aiding pricing power
- Superior Execution & Efficiency (is opm better than industry or is capex cheaper)
- Superior Capital Access/ Talent Attraction/ Technology Adoption
- Inherent Competitive Advantage - Technology, Brand, Distribution, Technical Expertise, IP, Cost Advantage, Switching Cost, Intangibles, Network Effects, Pricing Power.
- Strong Entry Barriers – Regulatory Barriers, Technological Complexity, Startup or Replacement Costs, Patents, Human Capital Requirements

A

Ace governance

- Accretive Capital Allocation & Capital Distribution & Capital Structure History
- Clean Audit record, Credit Rating History, low contingent liabilities/goodwill
- Efficient Cash Conversion
- Pledged shareholding and reason thereof
- Frequent / sizeable insider trading
- Management Depth, Succession, Board Structure

V

Visible Superior Growth:

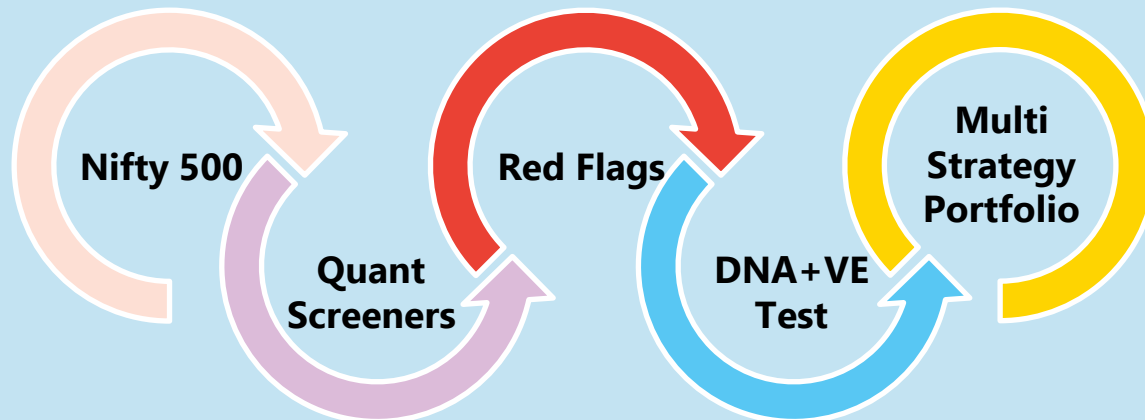
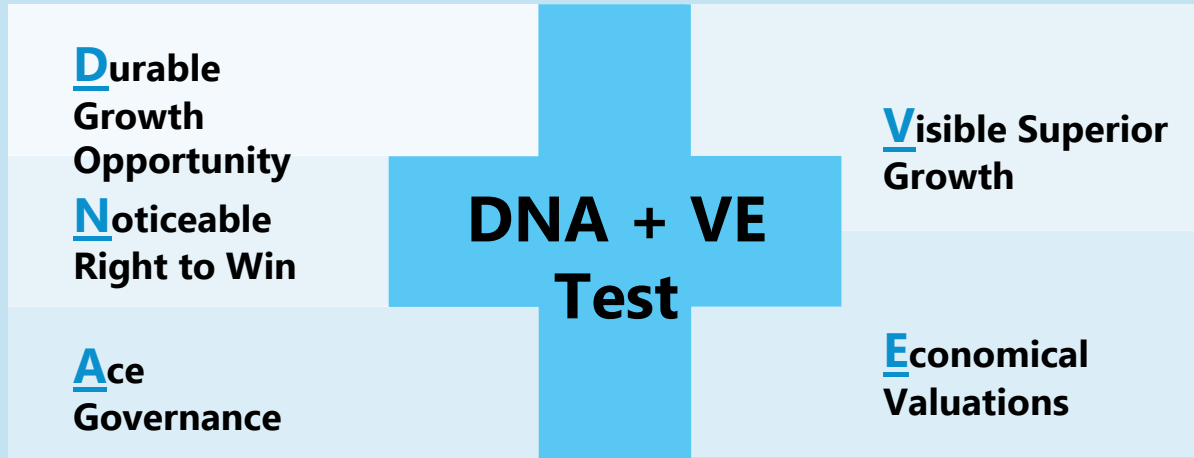
- Higher than market, economy, peers and industry growth in 1-3 year Period
- Visible Sector or Company level tailwinds or Triggers
- Productive Capex (capacity expansion, hiring, value chain enhancement, technology improvements) announcements
- Corporate Actions

E

Economical Valuations:

- Headroom for Rerating lead by improved growth trajectory or efficiency improvements
- Acceptable Relative Valuations for given level of growth, longevity, efficiency, volatility in earnings, and historic multiples
- Valuation catch up to peers due to relatively reasonable multiples vs peers
- Structural Earnings growth expansion

Investment Framework, Process and Themes



Macro Themes:

- Inflation Proofing – Play Resource Producers & Agro Commodities
- Weakening Rupee – Play Dollar linked Exporters
- Rate Hike Cycle – Preference for High CASA Financials
- Margin Compression – Invest in Companies with Pricing Power
- Growth Deceleration – Play visible Growth at Economical Valuations

After DNA Test – Portfolio Construction based on :

- Superior Visible Growth in 1 - 3 Year Period
- Economical Valuations Relative to Growth, Efficiency and its historical Multiples
- Right Sizing Weights based on Conviction & Shift in Style & Sector Outlook

Risk Control & Construction:

- Concentration Risk: Sector & Stock
- Liquidity Risk

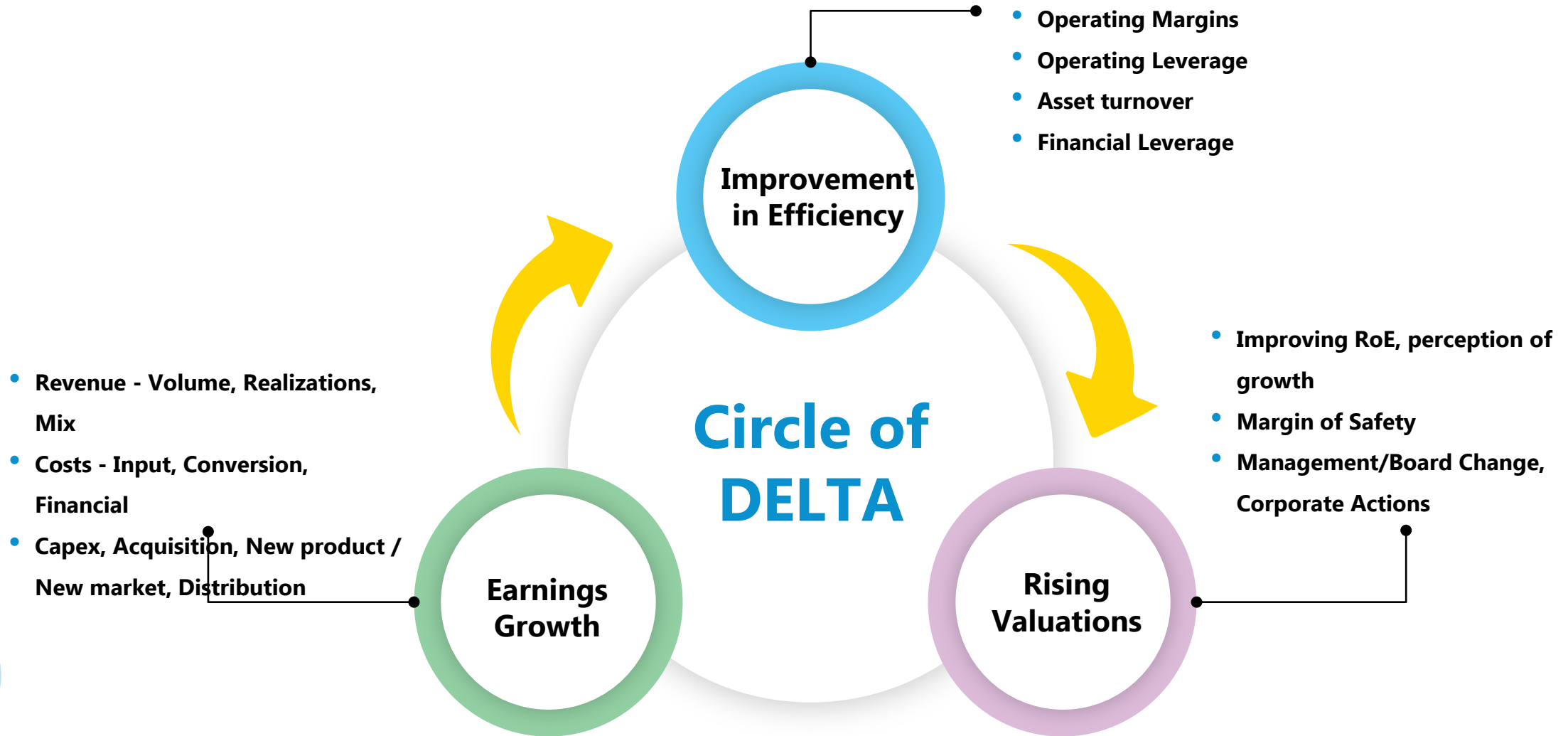


Multi Strategy

**BALANCE
IS
CREATED
NOT
FOUND**

**Delta is the source
of all investment
returns & we
Capture Delta
while creating
balance**

Circle of DELTA



Periodic Client Engagement



Monthly Connect

- Portfolio Holding & Performance Reports
- Market Outlook
- Portfolio Updates



Quarterly Connect

- Discussion on Portfolio Strategy – Webinar
- Evaluating Hits & Misses



Annual Connect

- Audited Tax Statements
- Audited Portfolio Reports



24/7 – 365 1-1 Client Support

- Daily Online Live Portfolio View
- Dedicated RM
- 24/7 Email Support

Meet our Team



Amisha Vora

Head of Investment Committee
Experience - 35 years



Dr. Punita Kumar - Sinha

Chairperson – PL PMS Funds Mgmt
Experience - 30 years



Siddharth Vora, CA-CFA-MSC

Head, Investment Strategy & Fund Manager
Experience - 5 years



Venil Shah, MBA

Senior Research Analyst
Experience - 10 years



Nupur Patel, MBA

Principal Officer – PMS,
Experience - 20 years



Ritika Chhabra

Economist & Macro Analyst
Experience - 8 years

Disclaimer / Disclosures

MADP Strategy may invest substantially in equity, debt, gold and international securities.. Equity securities and equity related securities are volatile and proven to price fluctuations.

Multi Strategy primarily invests in listed equities across market cap i.e. large cap, mid cap and small cap. Strategy may invest substantially in equity and equity related securities. The risks associated with such strategy are likely higher than a well-diversified equity investment/fund. As the strategy will be invested in a limited number of stocks, since strategy follows a concentration stock strategy, in case the chosen stock does not perform, it could adversely impact the returns of the strategy. Consequently, the value of investment may be affected. Equity securities and equity related securities are volatile and proven to price fluctuations.

Note:

The liquidity of investments made in the portfolios may be restricted by trading volumes and settlement periods. Settlement period may be extended significantly by unforeseen circumstances. The inability of the portfolios to make intended securities purchase due to settlement problems could cause the portfolios miss certain investment opportunities. Similarly, the inability to sell securities, held in the strategies portfolios may result, at times, in potential losses to the strategy, should there be a subsequent decline in the value of securities held in the strategies portfolios. 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 portfolios may go up or down depending upon the factors and forces affecting in capital market and the portfolio manages is not responsible or liable for the losses resulting from the operations of the portfolios.

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. The returns are calculated on the basis of Time Weighted Rate of Return (TWRR unitized) method. These performance records are not verified by SEBI or any other regulatory authority. The data is only for the discretionary portfolio management services.

PORTFOLIO MANAGEMENT SERVICES

Contact Us

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