

# MULTI ASSET DYNAMIC PORTFOLIO

A Smarter to Navigate Market Volatility and Create Wealth

## Investment Objective

The investment objective is to generate consistent long term capital appreciation and managing associated risks by investing in a diversified multi asset portfolio comprising of domestic equity, international equity listed on Indian Exchanges and ETFs, Index Funds and Mutual Funds of domestic Large caps, Midcaps and Small caps, international equities, gold, commodities, debt instruments.

## Key Information

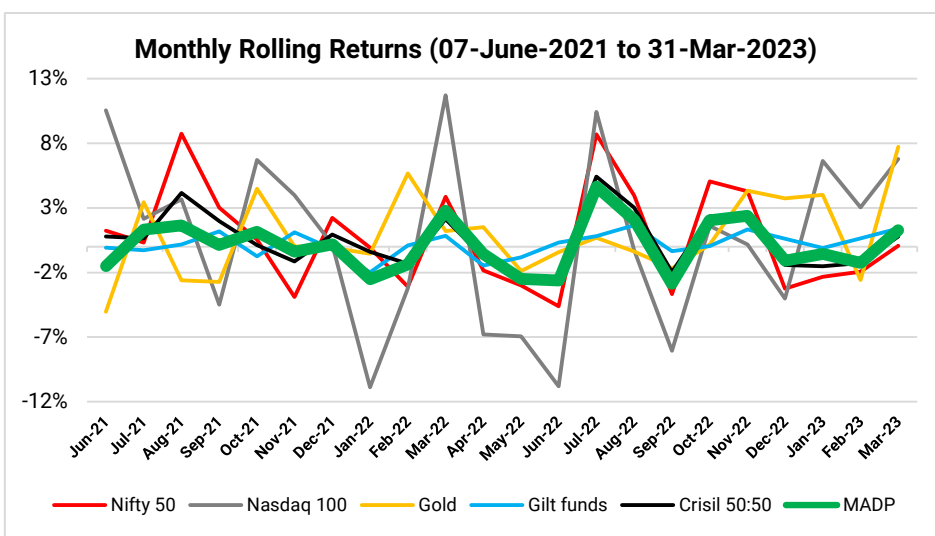
Strategy Inception date: **June 7, 2021**

Strategy Type: **Open ended**

Benchmark: **Crisil 50:50 Hybrid**

Investment Horizon: **5 Years+**

Portfolio Manager: **Mr. Siddharth Vora**



INDEX	1 Month	3 Month	6 Month	9 Month	1 Year
MADP	1.27%	-0.17%	2.76%	6.63%	0.71%
Benchmark (Crisil 50:50 Hybrid)	0.79%	-2.01%	1.29%	7.84%	1.82%

Data as on 31<sup>st</sup> March 2023

Factors	What changed in the world			Reasoning			Commentary
	Past	Current	Change	Past	Current	Change	
Macro				Deceleration in India; slowdown in US	Steady Growth in India; slowdown in US	Steady growth in India backed by strong consumption. US economy continues to decelerate	Domestic growth is in steady growth phase owing to strong consumption and services sector. Global growth is marred by steep increase in interest rates
Value				Nifty is in Fairly zone	Nifty is in Fairly zone	Nifty valuation are trading in line with 10 year averages	Nifty index is trading at 12M forward PE of 18.3 against 10 years average of 19.0. After more than a year and half of price and time correction, Nifty valuation appears reasonable now. Within broader markets, smallcaps are looking attractive
Liquidity				Monetary conditions are easing	Monetary conditions are easing	Positive for risk assets	With central banks at the fang end of the rate hike cycle, the financial conditions are showing signs of easing. Indian bond yields corrected after RBI decided to hold the repo rate at 6.5%
Trend				Momentum in equities stay weak, waning momentum in Gold and US equities	Strong Momentum in Gold and US equities, technical indicators for domestic equities suggesting Buy	Indicates increasing exposure to domestic equities	Technicals for Nifty 50 are suggesting bottom formation in the index. Concerns regarding banking crisis resulted in strong rally in Gold.
Risk				Risk off sentiment in domestic equities & Risk on in Global equities	Risk off sentiment in domestic equities & Risk on in Global equities	Positive for international equities	Sentiment for domestic equities remained negative, while the risk appetite for global equities remains intact due to attractive valuations.
Negative				Neutral			Positive

**PORTFOLIO UPDATE**

Last month was marked by the banking tumult on both sides of the Atlantic. The concerns regarding banking stress kept investors on the edge. However, the fears of a 'Lehman-like crisis' dissipated as soon as central banks took swift action to prevent any contagion. Global equity markets were divergent with FTSE and Hang Seng down while US and European indices outperformed and remained positive. The biggest gainer of the month was Gold, which rose 7% in USD and about 8% in INR as investors flocked to the risk-off asset amidst fears of the banking crisis. Closer home, Nifty 50 ended flat while midcaps and small-caps lost 0.5% and 1.5% respectively.

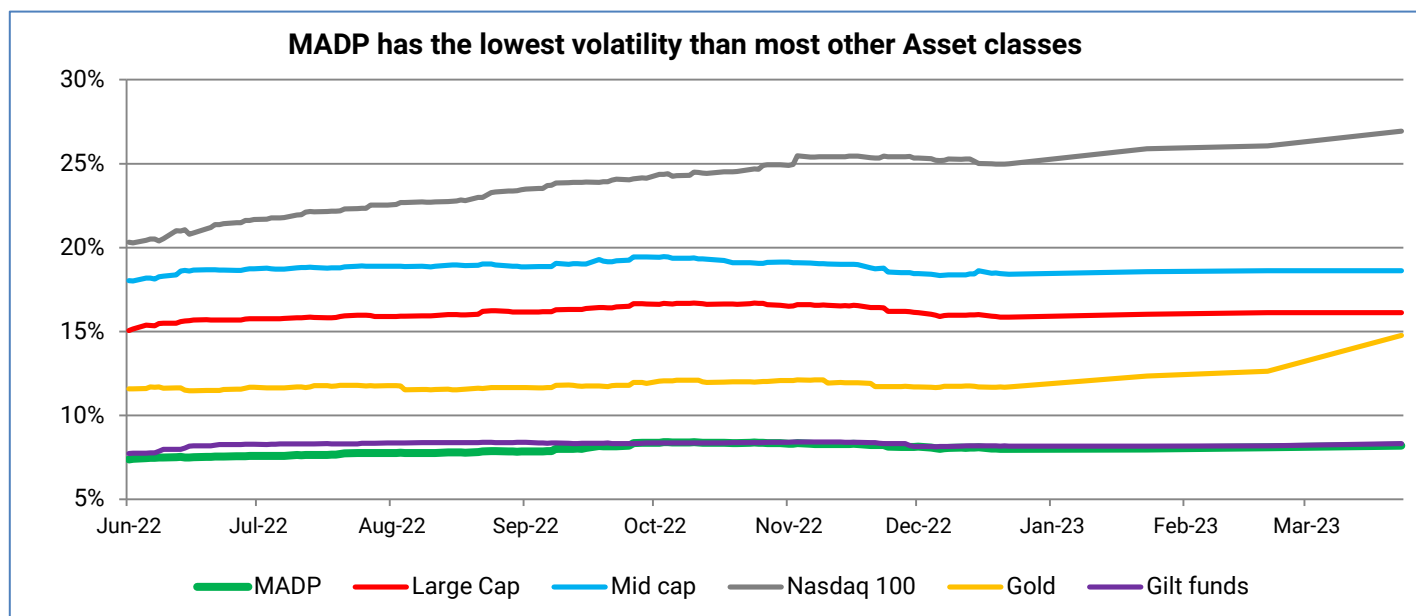
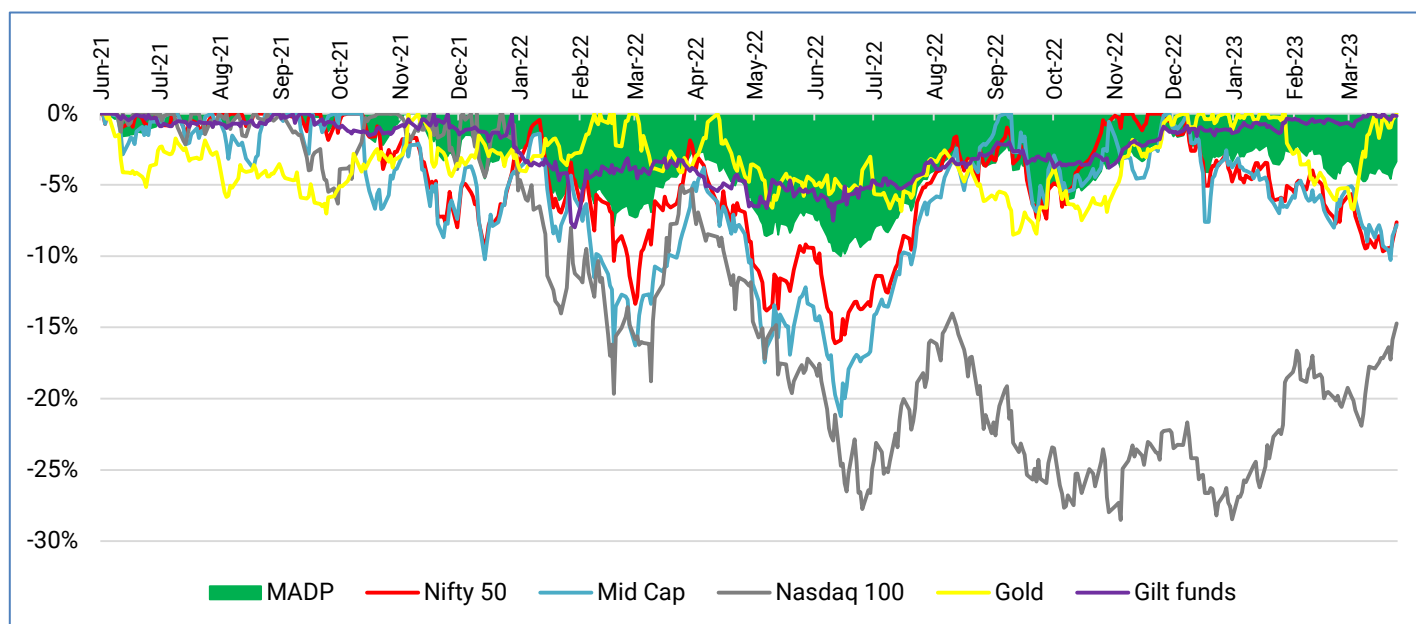
We kept our asset allocation unchanged for the month with 46.7% in domestic equities, 11.3% in Gold, 11.5% in international equities, and 30.5% in debt+cash. For the current month, we are marginally increasing our exposure to domestic equities as valuations are looking reasonable now. We will be deploying free cash in the portfolio for increasing this exposure. Over the past 18 months or so, the new regime of higher macroeconomic and market volatility has made crystal clear how important it is to stay nimble and maintain asset allocation in portfolios.

ASSET CLASS		CURRENT VIEW	ALLOCATION CHANGE			WHY CHANGE IN ALLOCATION ?
			Previous	Current	Change	
Domestic Equities	Largecaps		46.7%	46.7%	0%	The valuations have eased from overvalued to fairly valued.
	Mid & Smallcaps					
International Equities	Developed Market		11.5%	11.5%	0%	Although we remain cautious on US equities in medium term, increase in risk appetite globally and lower valuations provided a good entry point in US tech stocks and emerging markets
	Emerging Market					
Precious Metals	Gold		11.3%	11.3%	0%	Gold rallied due to risk of bank failures in US and Europe. Global uncertainty and recession fears will keep the demand for Gold high this year.
	Silver					
Fixed Income	Corporate Bonds		30.5%	30.5%	0%	We kept our debt allocation unchanged for the month of March
	Gilt Funds					
	Liquid Funds/Cash					
Alternates	REITs		0.0%	0.0%	0.0%	We don't have any allocation to REITs and INVITs yet
	INVITs					

**UNDERWEIGHT**
**NEUTRAL**
**OVERWEIGHT**

Returns	MADP	Crisil 50:50	Nifty	Nifty Next 50	Mid cap 150	Small Cap	S&P 500	Nasdaq 100	Gold	Gilt funds	Corp. bond	Liquid Fund
18-Nov-2022 to 05-Feb-2023	0.41%	-1.20%	-2.40%	-9.51%	-1.65%	-2.06%	6.19%	6.53%	9.19%	1.75%	1.21%	1.06%
06-Feb-2023 to 31-Mar-2023	-0.64%	-0.67%	-2.38%	-2.58%	-2.17%	-4.29%	-2.46%	4.16%	4.14%	1.21%	0.93%	0.82%

## MADP vs Other Asset Classes Drawdowns



Data as on 31<sup>st</sup> March 2023

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**Disclaimer:** Strategy may invest substantially in equity, debt, commodities and international securities. Asset classes invested in MADP are volatile and prone 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 make intended securities purchase due to settlement problems could cause the portfolio miss certain investment opportunities. Similarly, the inability to sell securities, held in the 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 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. With investment in securities, the value of portfolio may go up or down depending upon the factors and forces affecting in capital market and the portfolio manager is not responsible or liable for the losses resulting from the operations of the portfolio. Investments in asset classes 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.