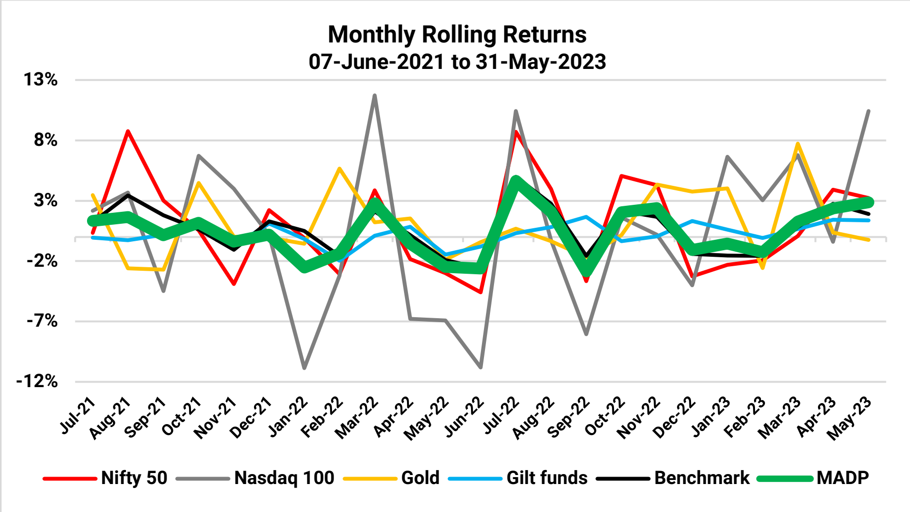
MULTI ASSET DYNAMIC PORTFOLIO

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:	**Nifty Multi Asset Index**
Investment Horizon:	**5 Years+**
Portfolio Manager:	**Mr. Siddharth Vora**

INDEX	1 Month	3 Month	6 Month	9 Month	1 Year
MADP	2.87%	6.64%	3.57%	5.11%	9.34%
Benchmark (Nifty Multi Asset Index)	1.89%	5.55%	0.85%	3.09%	8.29%

Data as on 31st May 2023

Factors	What changed in the world			Reasoning			Commentary
	Past	Current	Change	Past	Current	Change	
Macro	Neutral	Neutral		Steady Growth in India; slowdown in US	Steady Growth in India; slowdown in US	Positive for domestic equities	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	Neutral	Negative	Negative	Nifty is in Fairly valued zone	Nifty is in Over-valued zone	Nifty valuations are trading above the 10-year averages	Nifty index is trading at 12M forward PE of 19.6 against 10 years average of 19.2. After a correction earlier this year, the valuations have risen again pushing it in the overvalued zone
Liquidity	Neutral	Neutral		Monetary conditions are easing	Monetary conditions are stabilizing	Positive for risk assets	The rate hike cycle is plateauing for now, RBI decided to hold the repo rate at 6.5%
Trend	Positive	Positive		Strong Momentum in Gold and Indian equities, Momentum in US equities fizzling out	Strong Momentum in equities, technical indicators suggest Buy	Gold is losing steam while US and Indian equities gain traction	Gold is coming off the highs it made earlier this month while cooling inflation and stabilizing rates have fueled equities' rally
Risk	Positive	Positive		Risk on sentiment in domestic equities	Risk On sentiment in domestic & Global equities	Risk On in global equities as well as domestic	In May, DIIs were net sellers while FIIs continued buying with strong positive net flows

Negative	Neutral	Positive

PORTFOLIO UPDATE

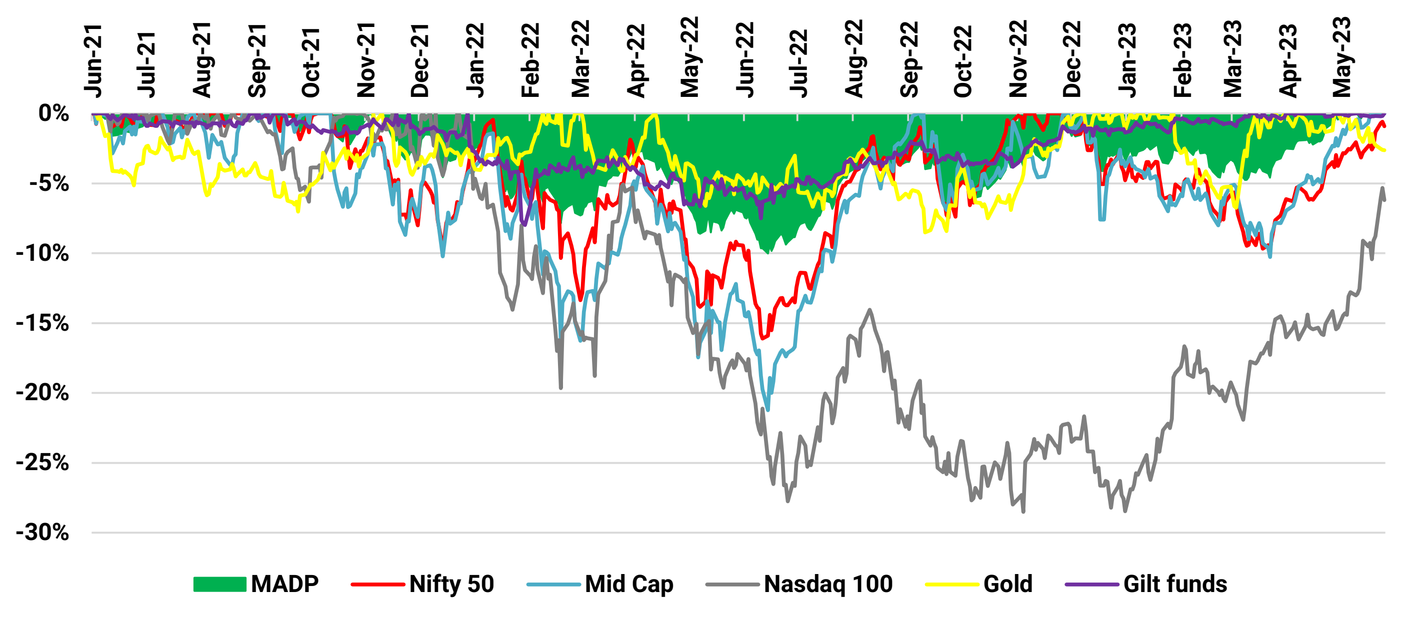
Domestic and global markets breathed a sigh of relief in May as inflation showed signs of cooling and central banks all over hinted at a pause in rate hikes. The risk to the global banking system seems to have subsided significantly. With this optimism, markets globally are making fresh YTD highs. Nifty 50 returned 2.6% in May, making it the third consecutive positive month for the index. The broader indices Midcap 150 and small-caps 250 rose by 5.7% and 5.5% respectively. Among global markets, US indices continued their rally, with Nasdaq 100 jumping by 7.6% and S&P 500 returning 2.5%. A last-minute debt-ceiling signed by the US president avoided a default, pushing the markets higher with Nasdaq closing its month positive for the fifth consecutive time. On the other side of the globe, the Nikkei 225 index of Japan is racing towards the market highs it made over 30 years ago returning 7% in May, while the Shanghai Composite index returned -3.57% in May as investors flee the region amidst growing uncertainties. Gold prices were mostly flat during the month, while 10 year bond yields corrected by 15bps after less than expected inflation reading for April. MADP returned 2.87% as against the 1.89% by our benchmark. The outperformance was contributed by slight overweight in domestic equities, exposure to Nasdaq 100 and long duration Gilt funds.

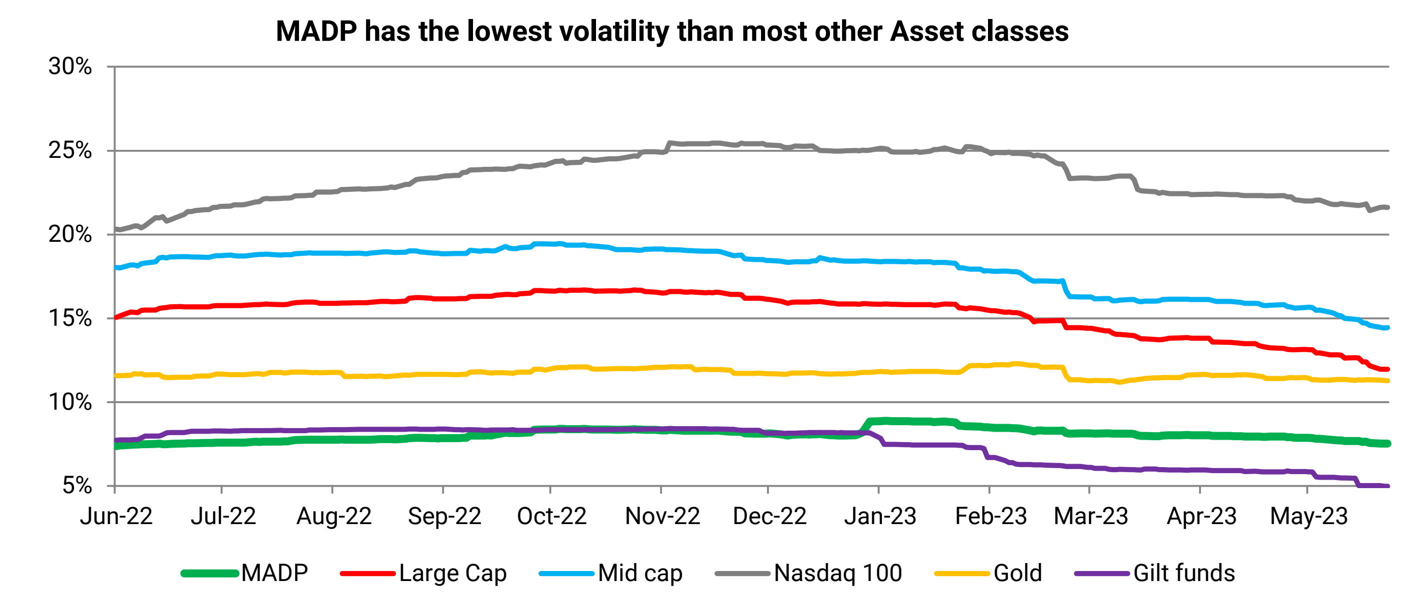
During the month, we increased our allocation to domestic equity, while reducing exposure to US equities. Since the start of the year, the US equities have recovered 3/4th of their last year losses. However, uncertainty regarding the Fed stance is still high, the economy is decelerating after steep rate hikes and the chances of recession are not insignificant. In comparison, India is in sweet spot, with robust economic growth, stable monetary conditions and inflation well within the tolerance limits. The allocation to Gold remains unchanged at 11%. The bond rally that we saw over the last 3 months will take a breather for now and we see a good time to move our allocation to short duration again.

ASSET CLASS		CURRENT VIEW	ALLOCATION CHANGE			WHY CHANGE IN ALLOCATION ?
			Previous	Current	Change	
Domestic Equities	Largecaps	+1	49.3%	56.2%	6.9%	We increased our allocation to domestic equities following the Risk On signal by our model and due to positive momentum, receding tail risks.
	Mid & Smallcaps	+1				
International Equities	Developed Market		11.0%	9.2%	-1.8%	We trim our allocation to international equities as we believe domestic equities provide better opportunities
	Emerging Market					
Precious Metals	Gold	+1	11.3%	10.7%	-0.6%	Gold has receded after making new highs in over two years earlier this month. However, we keep our allocation to Gold same as it provides diversification benefits amidst global uncertainty
	Silver	-2				
Fixed Income	Corporate Bonds	+1	28.4%	23.9%	-4.5%	We reduced our exposure to gilt funds to reduce duration of the portfolio
	Gilt Funds	-1				
	Liquid Funds/Cash					
Alternates	REITs	-2	0.0%	0.0%	0.0%	We don't have any allocation to REITs and INVITs yet
	INVITs	-2				

UNDERWEIGHT | NEUTRAL | OVERWEIGHT

MADP vs Other Asset Classes Drawdowns





Data as on 31st May 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.*