



**PL Capital**  
PRABHUDAS LILLADHER

ASSET  
MANAGEMENT

In an era of Man vs Machine,  
experience superior performance driven  
by a **Man with Machine** Process  
with

**A Q U A**

**Adaptive. Quantitative. Unbiased. Alpha.**

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PL's Flexicap Equity PMS, offering  
India's Pioneering Quantamental, Style Agnostic and  
Adaptive Multifactor Strategy.

## Strategy Overview

Investment Objective:  
Alpha Generation

Fund Inception Date:  
12th June, 2023

Benchmark:  
BSE 500 TRI

Investment Horizon:  
Minimum 3-5 years

Investment Process:  
Quantamental =  
Fundamental + Technical  
+ Macros

Fund Structure:  
Open ended Long-only  
Equity PMS

No. of Securities:  
25 – 30 stocks

Minimum Investment:  
INR 50 lakhs

Investment Universe:  
Top 300 stocks after  
eliminating 100 based on  
weak fundamentals and  
100 based on liquidity

Market Cap Focus:  
Flexicap diversified across  
Large, Mid & Small cap  
Stocks

Security Allocation:  
Max 4% per stock at  
the time of purchase

Lock – in :  
Nil

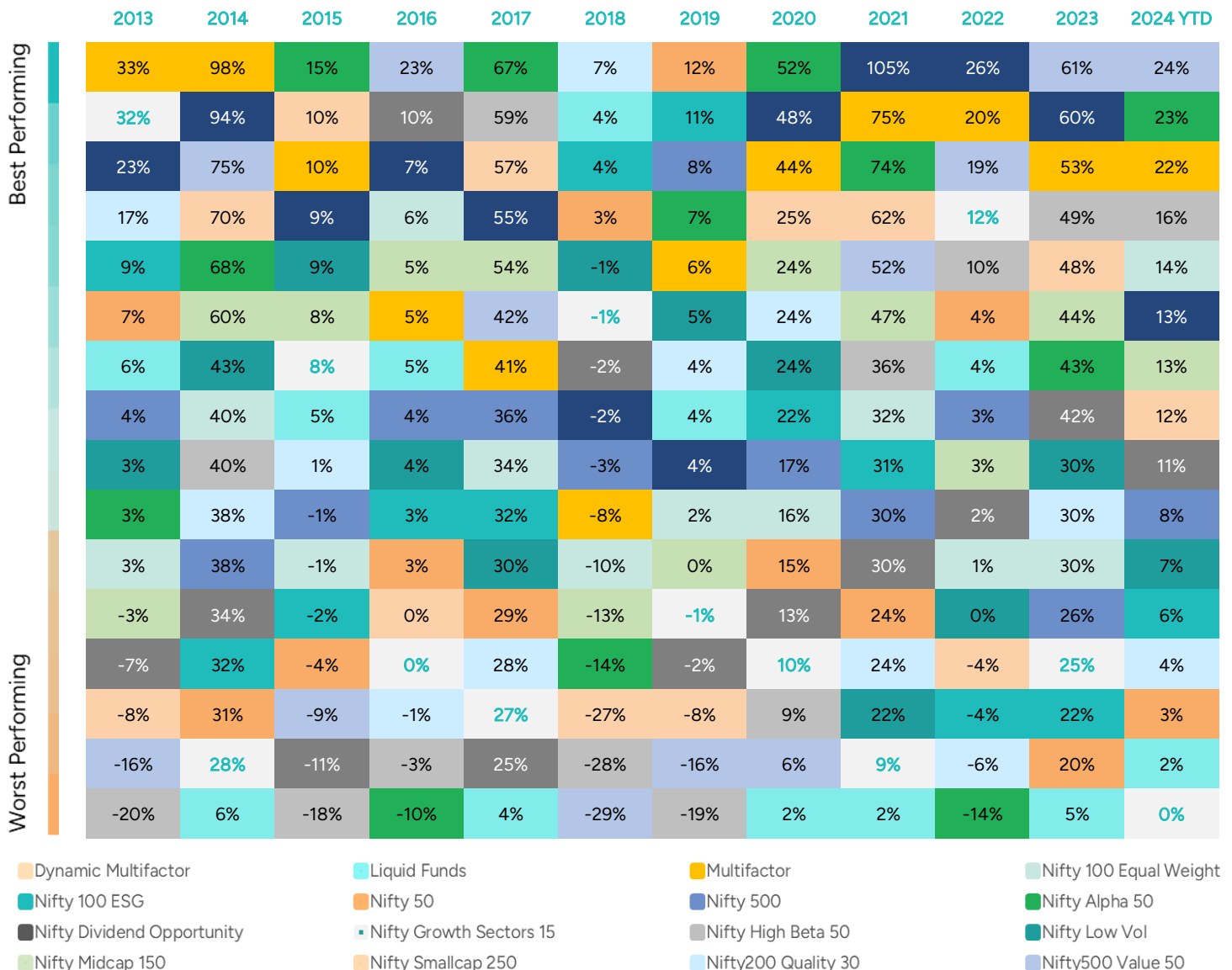
## AQUA is inspired by the adaptive nature of water, designed for Alpha

Markets operate in regimes and cycles that keep changing.

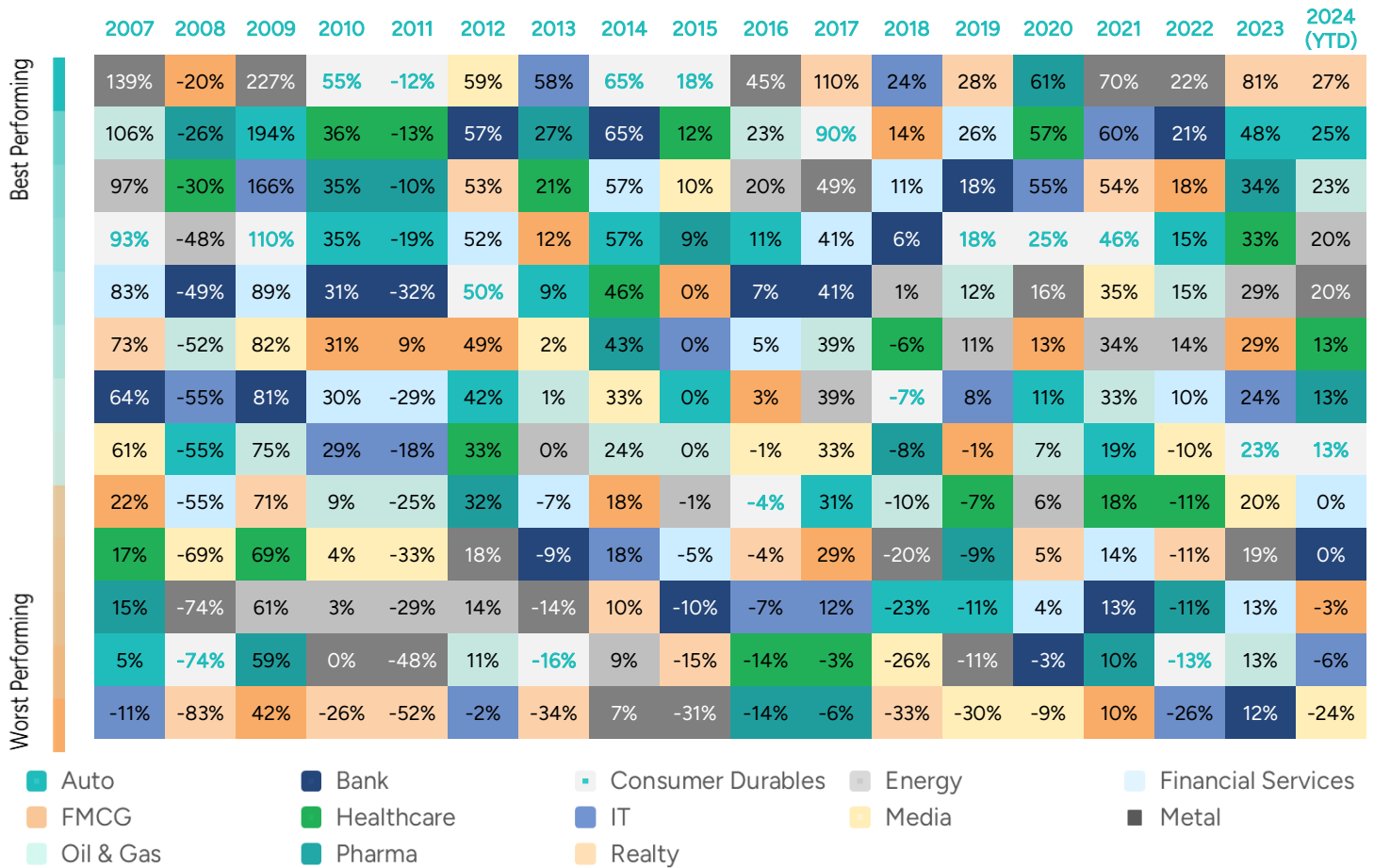
Traditional strategies focus on only one style of investing – growth, value, quality, momentum, etc.

However, data reveals that a single style doesn't consistently succeed across all time periods and market conditions, different investing styles outperform in different years

### Historic Size and Style Performance



## Historic Sector Performance

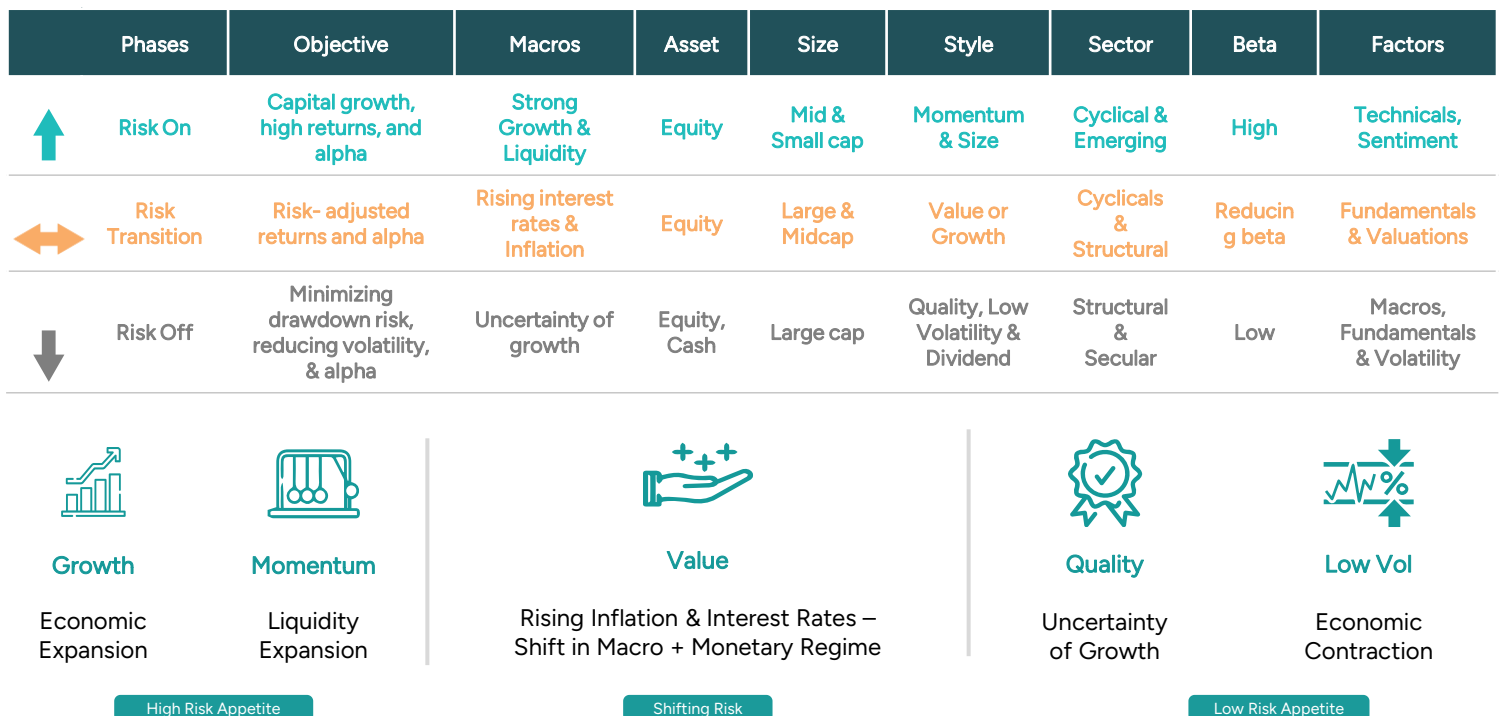


Source: NSE | Nifty Sectoral Indices data from 2007-2024

## AQUA is different.

It breaks free from one-style fits all approach. AQUA follows an adaptive and style agnostic framework. This adaptive framework enables it to seamlessly align to the changing macro and market cycles.

## Multi - Dimensional Adaptability to navigate risks and generate alpha across evolving macro and market regime



This ensures that your money is in the right place at the right time, maximizing returns while managing risks.

## The AQUA Investment Philosophy – Inspired by the adaptability of water

# A

### Adaptive

The portfolio responds to data and stays aligned to the prevailing investment regime by adjusting its:

- Asset Allocation
- Size Mix
- Style Tilt
- Sector Exposure
- Beta Levels
- Security Weights

# Q

### Quantitative

Takes a Man with Machine Approach to leverage PL's 80 Year research expertise enhanced by technology to blends diverse sciences using proprietary quant methods that are:

- Objective, Systematic
- Rules Based, Data Driven
- Multi-Dimensional
- Back-tested across market cycles

# U

### Unbiased

Strategy that is unbiased towards any:

- Benchmark Weights
- Security Allocation
- Size Group, Style, Sectors
- Fundamental Thresholds
- Risk or Beta Levels
- Holding Period
- Fund Manager preferences
- Emotions & Behavioral traits

# A

### Alpha

Focused on dynamically responding to changing data across market cycles for delivering performance that is:

- Granular
- Sustainable
- Consistent
- Process driven
- By design, not chance
- At a total portfolio level

## ROBUST Investment Process

### Regime Identification

Ascertain the prevailing macro, monetary, value, risk, size, style, beta, and sector regime.

### Objective Evaluation

A holistic multi-dimensional security scoring system using proprietary factors like quality, growth, value, dividend, momentum, volatility, liquidity, theme, tilt, volume, size, and sentiment.

### Bottom-up Elimination

Size filter of top 500 stocks by marketcap, remove 100 stocks using liquidity filters and 100 stocks using fundamental red flag filters, for a 300 stock universe across large, mid and smallcaps

### Unbiased Selection

Using Dynamic Multifactor ranks, derived by combining a top-down approach for factor weights and a bottom-up approach for factor scores using the 6S Framework

### Systematic Allocation

Equal-weighted, benchmark-agnostic portfolio of 25-30 stocks, with a maximum of 4 % weight per stock at the time of entry.

### Tactical Rotation

By being responsive rather than predictive, we rebalance our portfolio in terms of asset allocation, size mix, style tilt, sector exposures, beta levels or security weights to manage risk and align with the prevailing macro and market regime.

## AQUA's Proprietary 6S Investment Framework

It is the holistic set of rules which guide our investment decisions. It combines top-down and bottom-up analysis using principles of relativity.

# 6S

### Investment Framework

using  
relative analytics  
vs peers, history,  
and broader  
markets inspired  
by Einstein's  
principles of  
relativity

### TopDown Approach

#### Style Alignment

Relative Tilt

#### Sector Rotation

Relative Allocation

#### Smart Risk Management

Relative Beta

### Bottom Up Approach

#### Superior Fundamentals

Relative Change

#### Sound Valuations

Relative Value

#### Strong Technicals

Relative Strength

## Risk Management Framework



### SHIELD Framework

Mitigates  
Known Risks  
and  
Responds to  
Unknown  
Risks

### Shifting

To larger cap size mix, lower volatility styles, defensive sectors and lower beta portfolios.

### Hedging

Uses a Dynamic Multifactor model to combine uncorrelated and negatively correlated factors

### Insulating

Insulates with cash by reducing equity exposure

### Eliminating

Eliminates stocks based on fundamental red flags and liquidity filters

### Liquidating

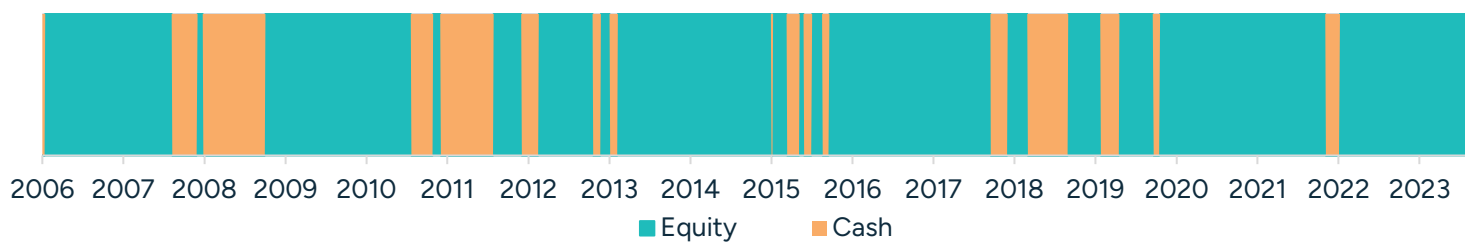
Bimonthly rebalance using an objective, rules- based strategy that exits laggards without biases & partially books profits

### Diversifying

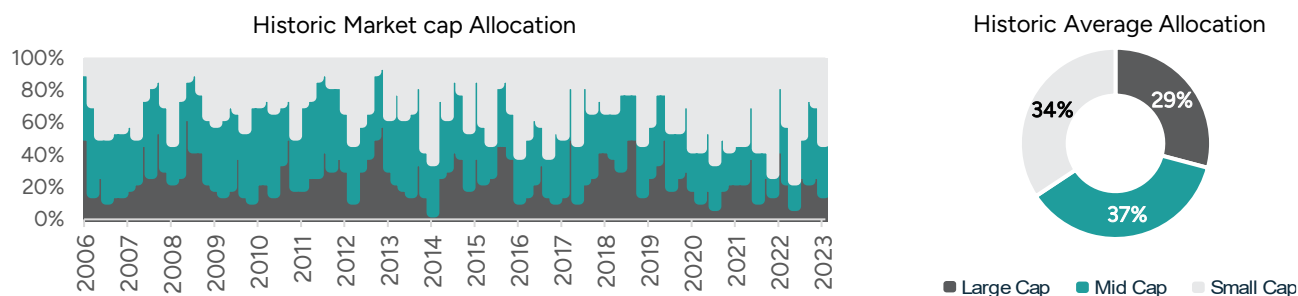
Optimally diversified, benchmark agnostic portfolio of 25-30 stocks with equal weight of maximum 4% given to each stock at time of entry

## AQUA's Dynamic Portfolio in Action Across Market Cycles

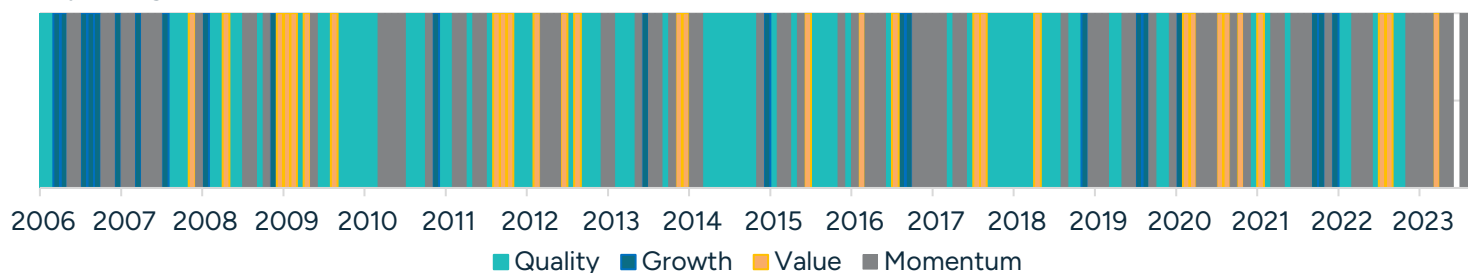
### Asset Mix



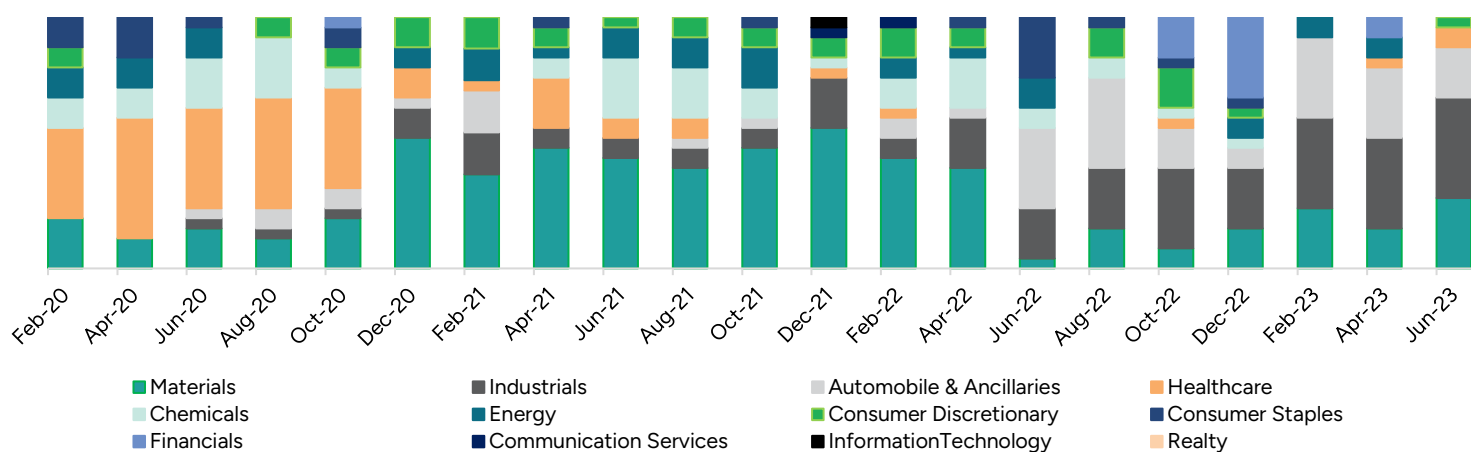
### Size Exposure



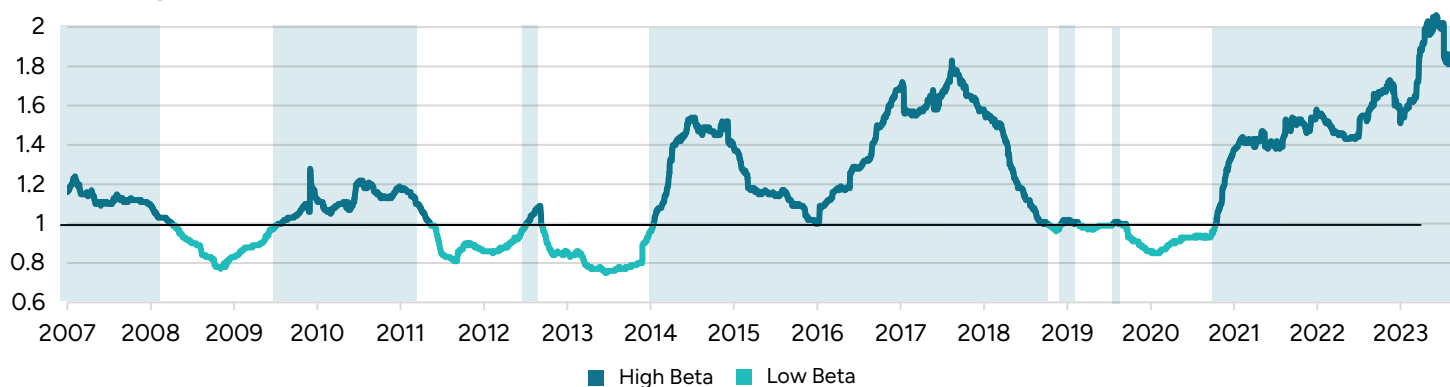
### Style Regime



### Sector Rotation Chart

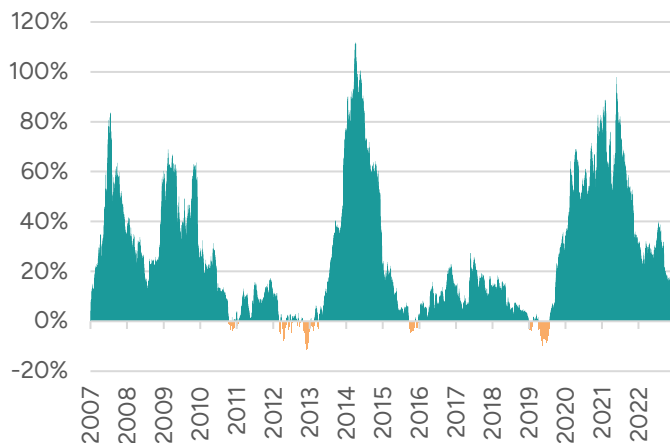


### Beta Management

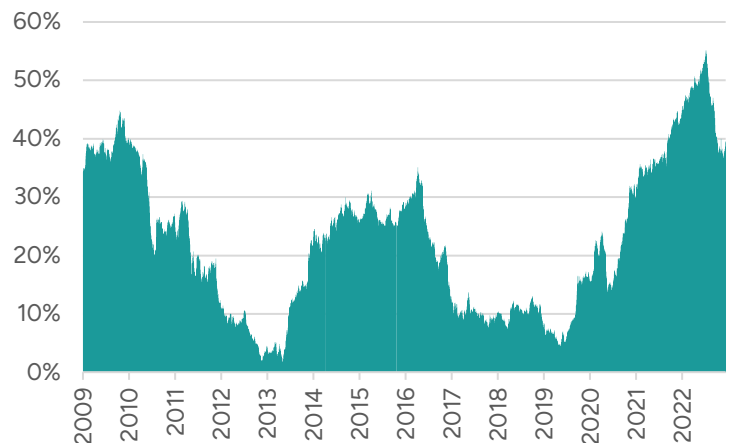


## AQUA's Back-tested Performance vs Nifty 500 TRI

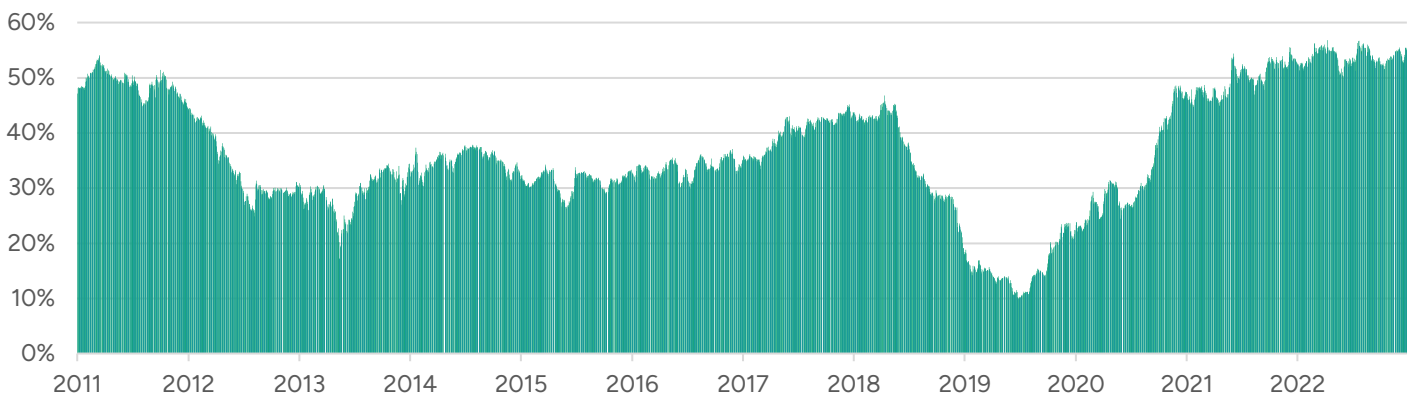
### 1 Year Rolling Alpha



### 3 Year Rolling Alpha



### 5 Year Rolling Alpha



## AQUA Back Tested Performance

Period	AQUA (without cash)	AQUA (with cash)	Nifty 500	Alpha vs AQUA (with cash)
1 Year	25.41%	32.04%	14.33%	17.71%
2 Years	27.41%	34.55%	8.88%	25.67%
3 Years	57.74%	63.58%	24.71%	38.87%
5 Years	33.11%	40.06%	11.51%	28.55%
7 Years	33.34%	37.84%	13.26%	24.58%
10 Years	36.45%	38.74%	13.37%	25.37%
15 Years	29.59%	31.95%	9.87%	22.08%
Since Inception	31.46%	34.36%	11.82%	22.54%
Sharpe *	1.05	1.27	0.31	4.10x
Std Deviation*	21.94%	19.46%	20.95%	0.93x
Sortino*	1.29	1.58	0.38	4.16x

## AQUA's Back-tested Performance vs Nifty 500 TRI

Year	AQUA (With Cash)	AQUA (Without Cash)	BSE 500 TRI	NIFTY 50
2006	28.02%	30.20%	N/A	39.83%
2007	148.56%	148.57%	64.88%	54.77%
2008	-43.42%	-53.71%	-57.59%	-51.80%
2009	124.48%	116.87%	92.70%	75.76%
2010	27.79%	27.80%	17.89%	17.95%
2011	-12.38%	-15.59%	-26.42%	-24.62%
2012	31.33%	37.73%	33.41%	27.70%
2013	20.96%	28.70%	4.93%	6.76%
2014	104.85%	104.85%	38.93%	31.39%
2015	3.74%	6.54%	0.45%	-4.06%
2016	10.59%	9.07%	5.15%	3.01%
2017	59.03%	59.02%	37.60%	28.64%
2018	1.69%	1.21%	-1.81%	3.16%
2019	3.40%	3.15%	8.98%	12.02%
2020	74.91%	55.74%	18.41%	14.90%
2021	103.03%	103.03%	31.63%	24.12%
2022	40.24%	25.75%	4.77%	4.33%
2023	0.39%	0.39%	3.15%	2.53%

Source: PL | Data from 19th June 2006 till 09th June 2023

## Total Portfolio Approach to Alpha

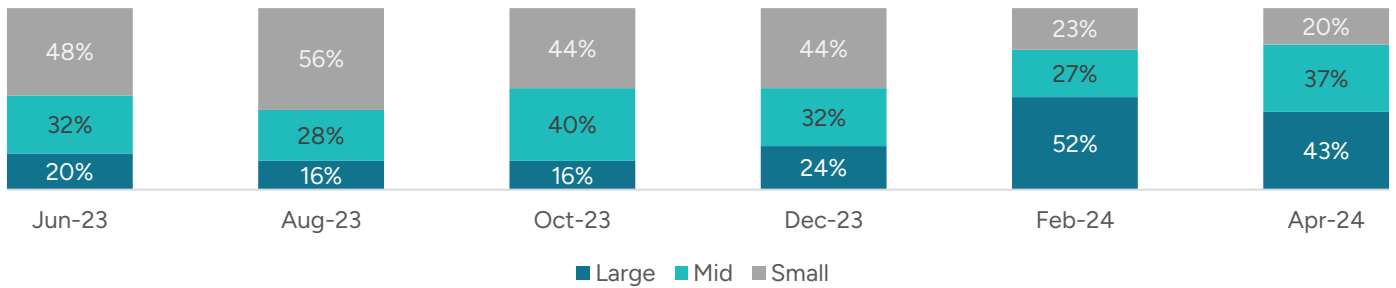
AQUA's outperformance can't be replicated by individual stocks.  
The probability of AQUA getting it right as per back tested results:

Generating Alpha on	1M	3M	1Y	3Y	5Y	Rebalance to Rebalance
Right (outperformance)	>65%	>73%	>91%	>100%	100%	74%
Wrong (underperformance)	<35%	<27%	<9%	<0%	0%	26%
Outperforming or positive (Happy)	>86%	>86%	>98%	>100%	100%	90%
Underperforming and negative (Sad)	<14%	<14%	<2%	0%	0%	10%

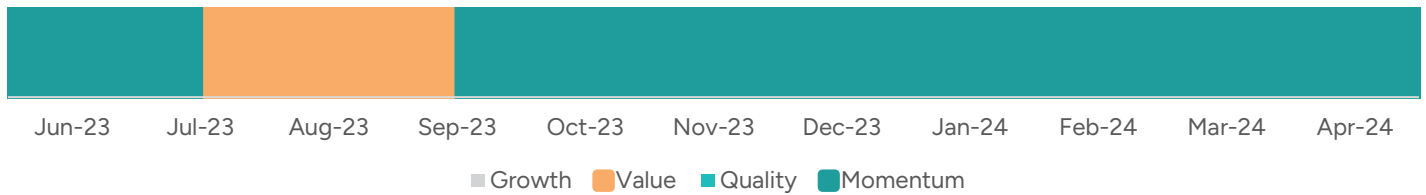
Based on bimonthly rebalances since 2006	Mean	Median	Min	Max
% stocks positive	59%	64%	4%	100%
% stocks outperforming benchmark	55%	56%	16%	84%

## AQUA Live Portfolio in Action

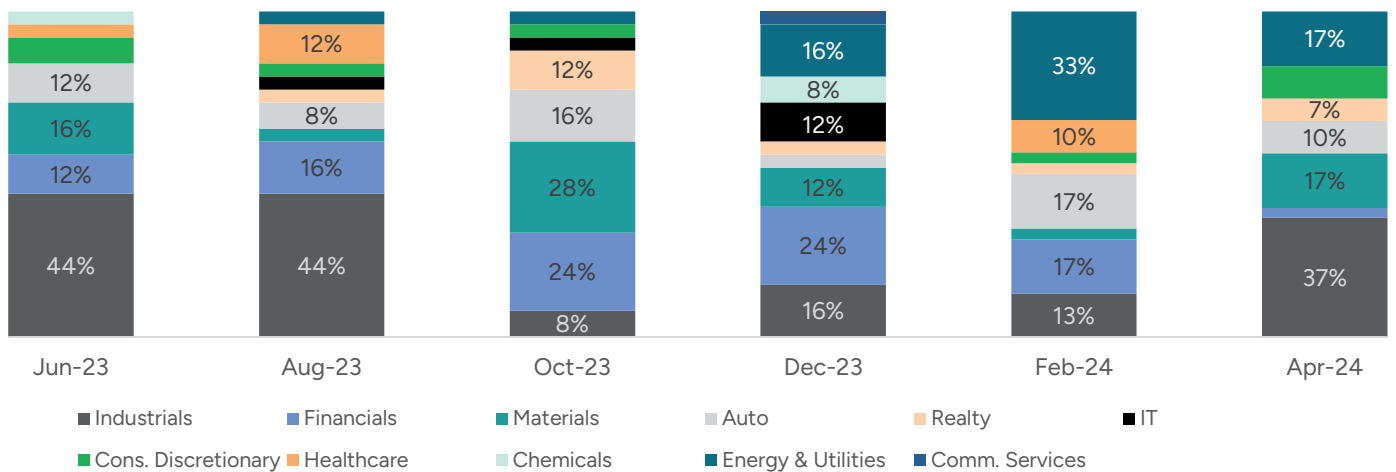
### Size Exposure



### Style Regime



### Sector Rotation Chart



### % of Positive Returns or Alpha

#### Month Wise

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May 2024 MTD	Frequency	Observations	%Total
Absolute Positive	8.18%	6.62%	5.35%	-0.51%	14.83%	5.03%	8.27%	-1.78%	-0.75%	2.99%	6.30%	8	11	73%
Positive Alpha	4.23%	7.24%	3.24%	2.35%	7.77%	-3.01%	6.35%	-3.44%	-1.60%	-0.45%	5.22%	7	11	64%
Either Positive in Alpha or Absolute												9	11	82%

#### Rebalance Wise

	1st Rebalance	2nd Rebalance	3rd Rebalance	4th Rebalance	5th Rebalance	6th Rebalance	Frequency	Observations	% Total
Absolute Positive	11.81%	8.80%	20.78%	10.16%	-1.76%	8.31%	5	6	83%
Positive Alpha	6.75%	7.38%	7.91%	3.52%	-2.96%	5.51%	5	6	83%
Either Positive in Alpha or Absolute							5	6	83%

#### Quarter Wise

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Frequency	Observations	% Total
Absolute Positive	18.61%	17.32%	10.21%	9.39%	4	4	100%
Positive Alpha	8.70%	10.31%	2.06%	4.34%	4	4	100%
Either Positive in Alpha or Absolute					4	4	100%



## AQUA Live Performance

### Periodic Returns

Period	AQUA	BSE 500 TRI	Alpha vs BSE 500 TRI	NIFTY 50	Alpha vs NIFTY 50
1 month	9.97%	4.32%	5.65%	2.68%	7.29%
3 months	8.20%	5.89%	2.31%	3.40%	4.81%
6 months	27.32%	22.11%	5.21%	15.99%	11.34%
9 months	52.25%	26.99%	25.26%	18.12%	34.13%
Since Inception	70.31%	36.03%	34.29%	23.73%	46.59%
1st Rebalance	11.81%	5.07%	6.75%	3.42%	8.40%
2nd Rebalance	8.80%	1.42%	7.38%	0.51%	8.29%
3rd Rebalance	20.78%	12.86%	7.91%	10.72%	10.05%
4th Rebalance	10.16%	6.64%	3.52%	4.07%	6.09%
5th Rebalance	-1.76%	1.19%	-2.96%	0.56%	-2.32%
6th Rebalance	9.97%	4.32%	5.65%	2.68%	7.29%

Source: PL | Data as on 23rd May 2024

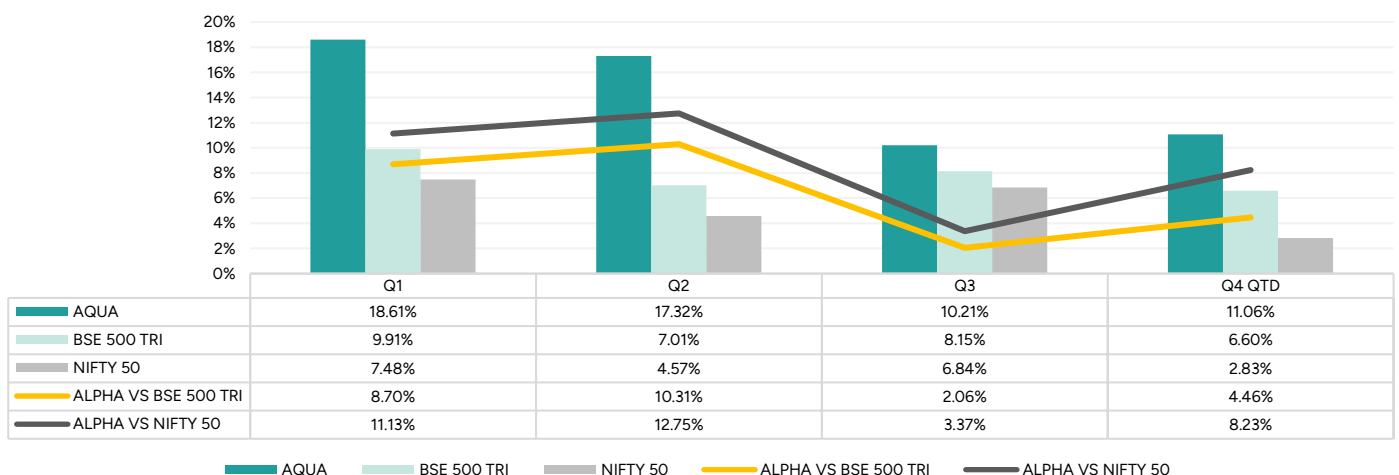
Inception Date : 12th June, 2023 | 1st Rebalance: 19th June – 22nd August, 2023 | 2nd Rebalance: 23rd August, 2023 – 22nd October, 2023 | 3rd Rebalance: 23rd October, 2023 – 22nd December 2023 | 4th Rebalance: 23rd December 2023 – 22nd February | 5th Rebalance- 23rd February – 22nd April | 6th Rebalance- 23rd April – till date | Note: Actual returns net of expenses, fees and associated costs.

### Month-wise Returns

Period	AQUA	BSE 500 TRI	Alpha vs BSE 500 TRI	NIFTY 50	Alpha vs NIFTY 50
July 2023	8.18%	3.95%	4.23%	2.94%	5.23%
August 2023	6.62%	-0.61%	7.24%	-2.53%	9.15%
September 2023	5.35%	2.11%	3.24%	2.00%	3.35%
October 2023	-0.51%	-2.86%	2.35%	-2.84%	2.33%
November 2023	14.83%	7.06%	7.77%	5.52%	9.31%
December 2023	5.03%	8.03%	-3.01%	7.94%	-2.91%
January 2024	8.27%	1.92%	6.35%	-0.03%	8.30%
February 2024	-1.78%	1.66%	-3.44%	1.18%	-2.96%
March 2024	-0.75%	0.86%	-1.60%	1.57%	-2.31%
April 2024	2.99%	3.44%	-0.45%	1.24%	1.75%
May 2024 MTD	7.93%	2.58%	5.35%	1.60%	6.32%

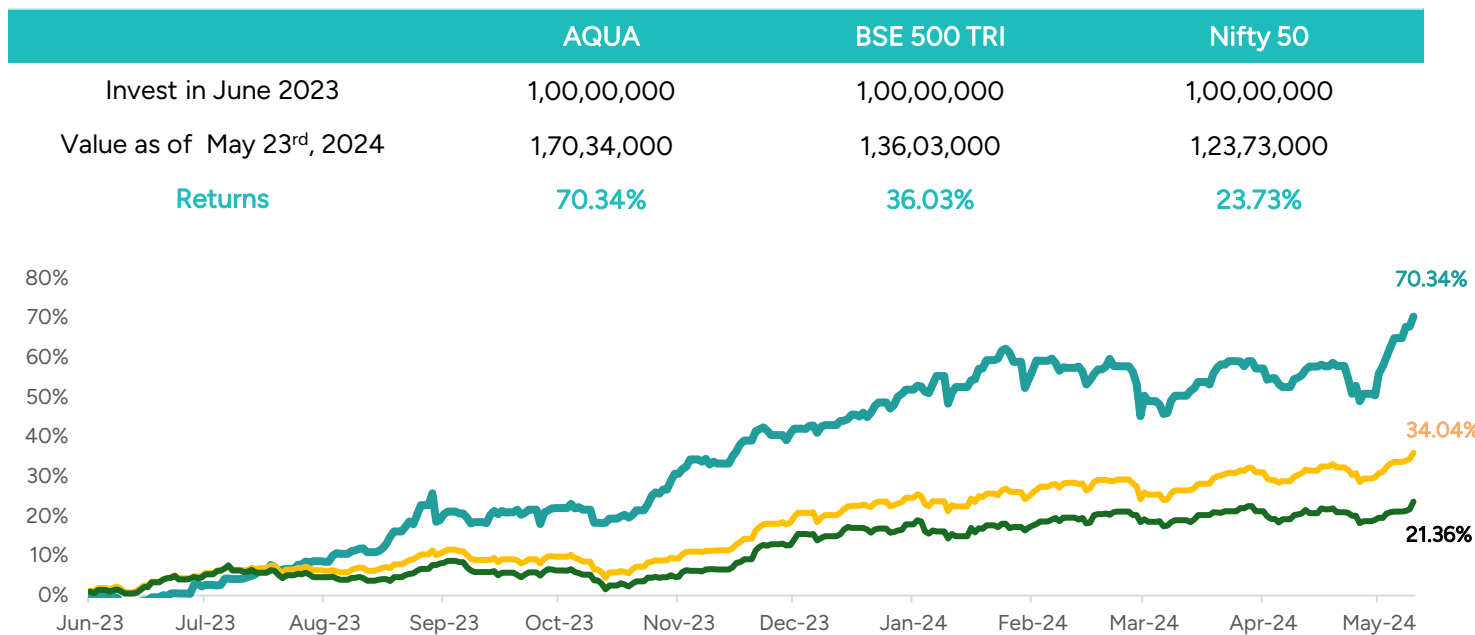
Source: PL | Data as on 23rd May 2024 | Inception Date : 12th June, 2023

### Quarterly Returns



Source: PL | Data as on 23rd May, 2024

## AQUA VS BSE 500 TRI VS NIFTY 50 Since AQUA's Inception



### Since Inception Performance Till Month End:

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24 MTD
<b>AQUA</b>	8%	15%	21%	20%	38%	45%	57%	54%	53%	58%	70%
<b>BSE 500 TRI</b>	7%	7%	9%	6%	13%	22%	25%	27%	28%	33%	34%
<b>Alpha</b>	0%	8%	12%	15%	25%	23%	33%	28%	25%	25%	36%

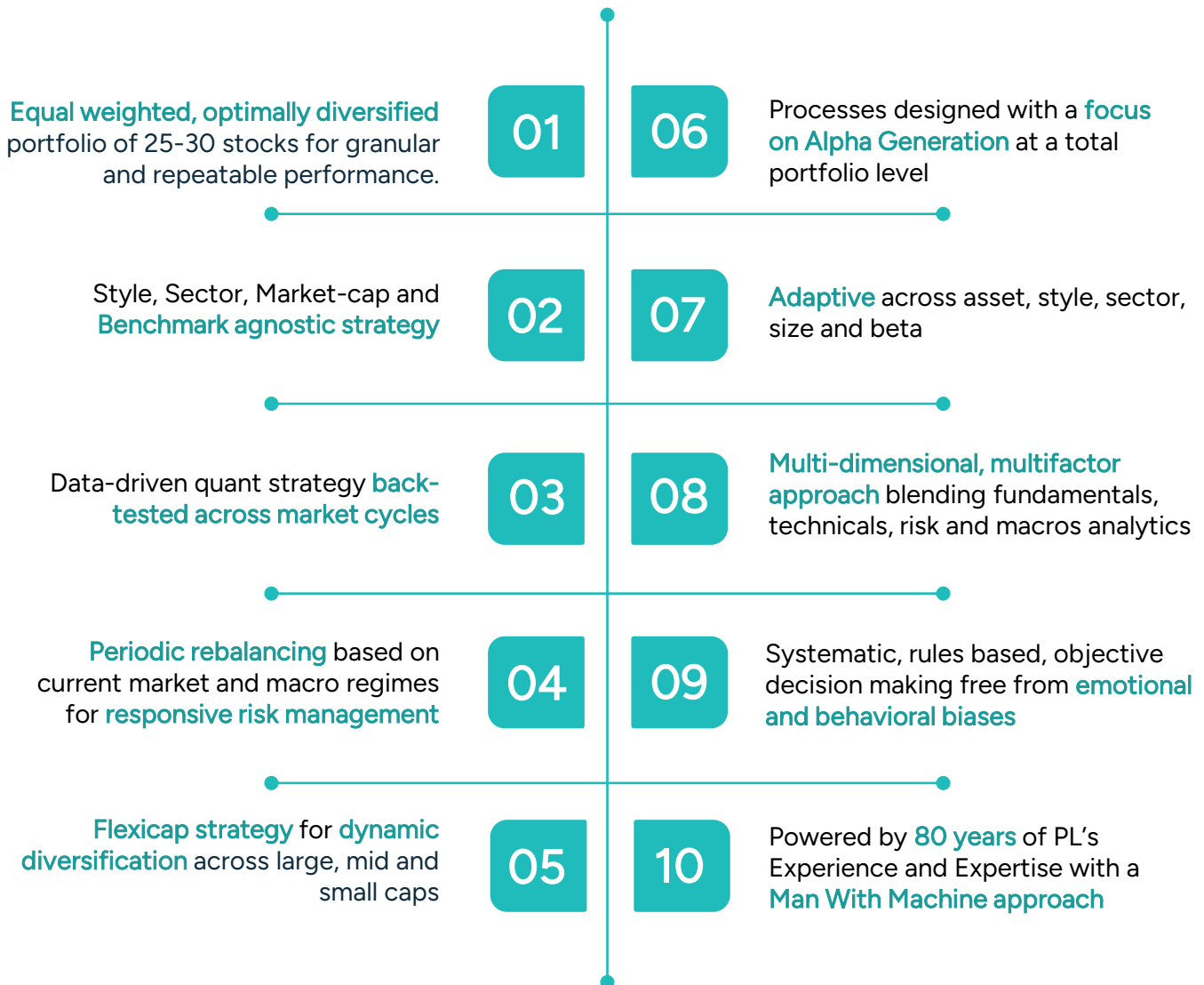
Source: PL | Data till 23rd May 2024 | Inception Date : 12th June, 2023

## Top Performing Stocks in the Portfolio

Stock Ticker	Returns	Stock Ticker	Returns	Stock Ticker	Returns	Stock Ticker	Returns
COCHINSHIP	284.77%	GMDCLTD	71.77%	MOTILALOFS	46.76%	BANKBARODA	32.26%
BSE	225.60%	COALINDIA	68.69%	GRSE	44.73%	UJJIVANSFB	31.83%
IRCON	167.46%	HAL	67.80%	TATAMOTORS	44.41%	INOXWIND	31.64%
SCHNEIDER	158.74%	MAZDOCK	66.60%	INDIGO	44.31%	TORNTPOWER	31.10%
PFC	117.68%	RECLTD	64.22%	WELCORP	40.26%	DBREALTY	30.70%
NBCC	108.59%	MAHABANK	60.21%	PCBL	35.16%	FINCABLES	29.95%
ADANIPOWER	94.26%	GMRINFRA	55.62%	M&M	34.98%	TATAPOWER	29.29%
APARINDS	93.42%	BPCL	51.33%	CESC	34.78%	ACE	28.38%
JSL	77.08%	PNB	51.09%	NTPC	32.35%	VEDL	27.40%
MAHSEAMLES	73.56%	IOC	50.73%	BRIGADE	32.27%	GESHIP	26.96%

Cumulative stock performance from 19th June 2023 - 21<sup>st</sup> May 2024

## 10 Reasons to choose AQUA



## We try to get it right by



## AQUA packs the power of:

# 80

years of  
PL's research  
expertise

# 20+

team  
members

# 25+

proprietary  
factors

# 1000+

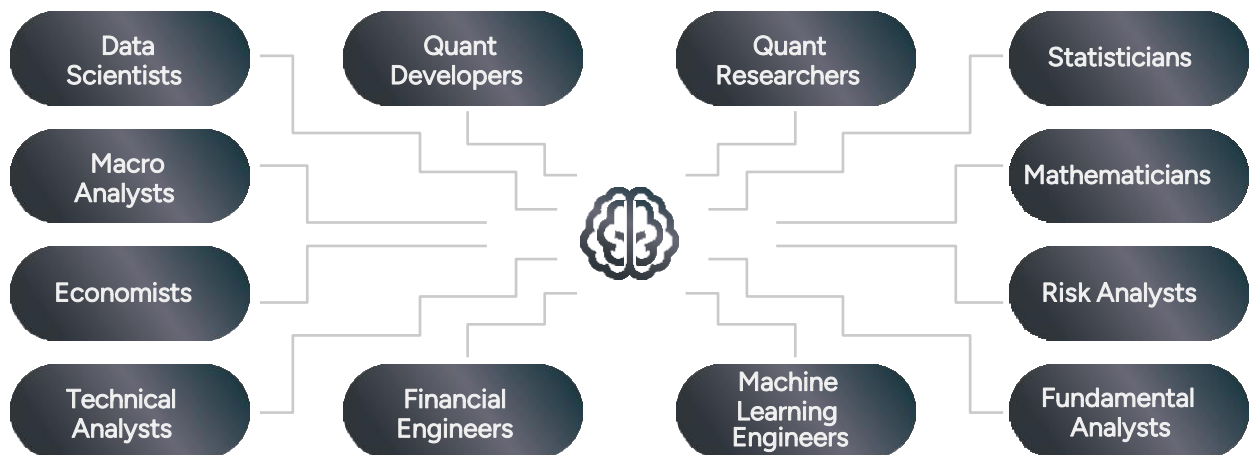
market  
indicators

# 7500+

strategies tested  
to build AQUA

## Creators of AQUA

AQUA is the convergence of a multidisciplinary team in one strategy:



## About the Fund Manager:

*"what Google Maps did to Navigation, Quant holds the potential to do to investing".*

Siddharth was one of the first to recognize the potential of quant and how technology and data can play a major role in the investment landscape of India.

Hence, Siddharth spearheaded PL's foray into the Quantitative Asset Management space.

He is one of India's youngest and most innovative fund managers, having introduced two path – breaking investment strategies – MADP and AQUA.

Multi – Asset Dynamic Portfolio (MADP) is one of India's 1st multi – asset PMS that deploys quantitative technology for asset allocation and AQUA, (Adaptive; Quantitative; Unbiased; Alpha) is one of India's 1st style agnostic and style adaptive investment strategy.

He is one of the most definitive voices on quant investing in India today.

He is a SEBI-registered Research Analyst, Investment Advisor and Portfolio Manager.



**Siddharth Vora**

Fund Manager, Principal Officer & Head of  
Investment Strategy, PL Asset Management

Executive Director, PL Capital Group  
CA, CFA, MSc

80 years of experience.  
We've done our homework.





**PL Capital**  
PRABHUDAS LILLADHER

ASSET  
MANAGEMENT

# Invest for **ALPHA**, Invest in **AQUA**

## Join the Quant revolution with our **AQUA PMS**

REACH OUT TO US:



[pms@plindia.com](mailto:pms@plindia.com)



7506032001

Corporate Office : 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office : 3rd Floor, Sadhana House, 570, P.B. Marg, Behind Mahindra Tower, Worli, Mumbai - 400018

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