



**PL Capital**  
PRABHUDAS LILLADHER

ASSET  
MANAGEMENT

# PMS Strategy

## Updates and Insights

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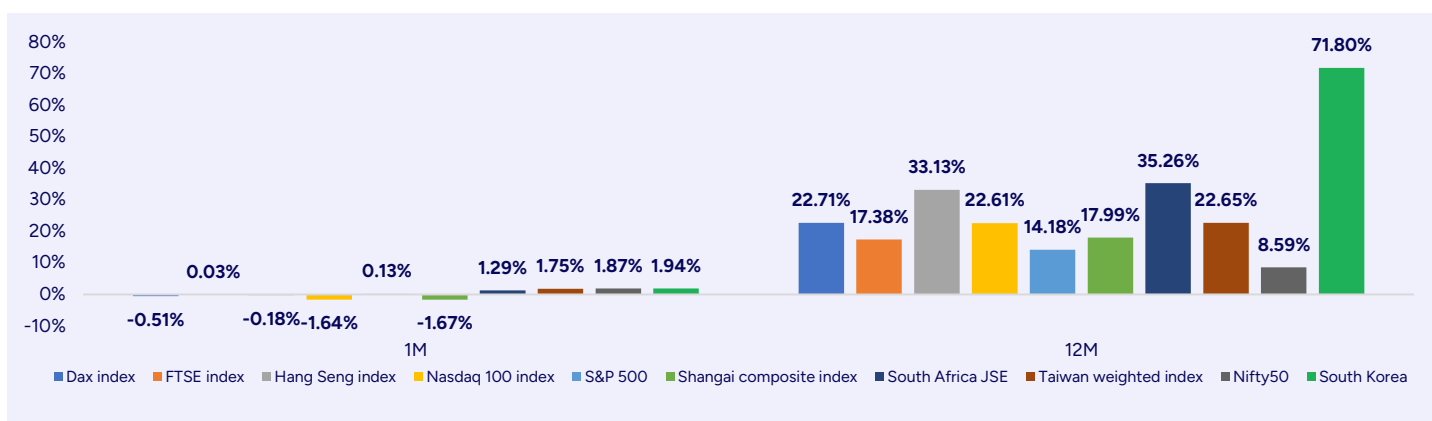
**Indian Markets Hit An All Time High as  
Relative Valuations Reset and Global  
Momentum Shifts Toward Stability**

## Indian Equities Strengthen on Reviving Earnings, Stable Liquidity and Normalized Valuations

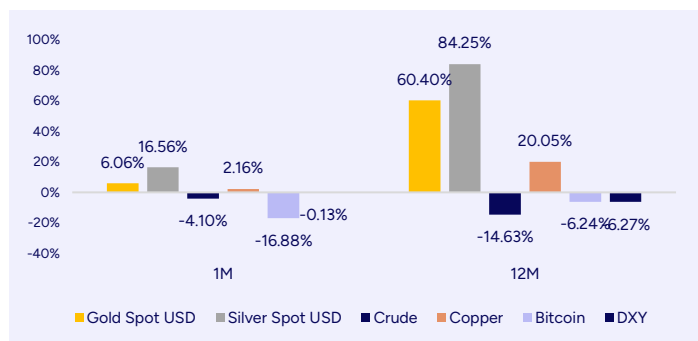
### Indian Equities Hit New Highs as Record-Low Inflation and Festive Strength Lift Sentiment; Global Markets Mixed Amid Tech Selloff and China Weakness

- Global markets were mixed in November as the Nasdaq 100 fell on tech and AI-led weakness, while China and Hong Kong declined on soft macro data. Precious metals surged and crude eased ahead of expected Fed rate cuts.
- India outperformed, with markets hitting new highs on strong GDP growth, record-low inflation, improving prospects of an India-US trade agreement, and steady domestic flows. PSU Banks, IT, and Nifty Bank led gains, while Realty and Media lagged amid weak market breadth.

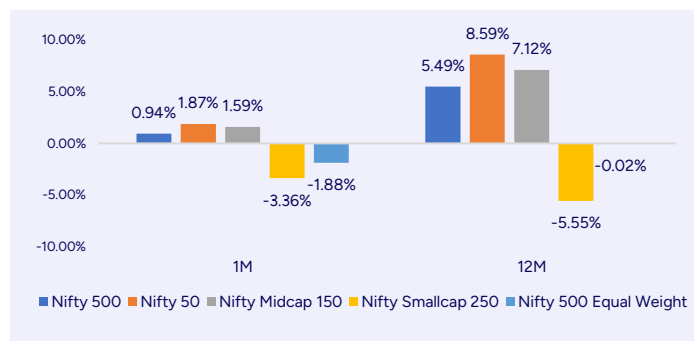
### India Extends Outperformance While Global Markets Stay Mixed; 12-Month Catch-Up Trend Strengthens



### Precious Metals Rally, Silver Surges on Supply Tightness, While Bitcoin Drops in a Broad Crypto Meltdown



### Headline Indices Rally but Smallcaps Trail; Market Participation Stays Narrow



### Indian Macro Trends Remain Supportive but External Headwinds Dominate

- Inflation & Policy:** CPI fell sharply to 0.25%, a record low and well below the RBI's 4% target, reinforcing expectations of additional easing. The RBI also revised the FY26 GDP forecast to 7.3%, reflecting confidence in domestic momentum.
- Activity Indicators:** Manufacturing PMI moderated to 56.6 amid tariff-related export softness but stayed firmly in expansion. GST collections remained healthy at ₹1.70 lakh crore, while domestic liquidity stayed supportive through steady DII inflows.
- Macro Drivers:** Strong festive demand, GST rationalisation, and soft crude prices continued to cushion growth. GDP growth of 8.2% in Q2FY26 reaffirmed India's status as the fastest-growing major economy.
- Notable Positives:** Despite global volatility and pressure on the currency, stable domestic macros, strong services exports, and improved current account deficit of 1.3% of GDP helped maintain overall macro stability.

### Earnings Cycle Stabilization and Liquidity Support Reinforce a Constructive Market Setup

- Short-term:** Markets should hold firm but remain highly selective, with Nifty 500 breadth only recently turning positive and small caps still lacking strength. Near-term support comes from multi-year low inflation allowing domestic rate cuts, and stabilizing FII flows, while global AI and crypto meltdowns keep external volatility elevated.
- Medium-term:** India's positioning strengthens as earnings revisions turn positive, GDP forecasts rise to 7.3%, and SIP flows of ₹27–30k crore/month anchor liquidity. With valuations back near long-term averages and India's relative underperformance to EMs bottoming out, the cooling of overheated AI-driven markets sets up a favorable capital rotation toward India through FY26.

## Quantitative Indicators Signal Broader Market Participation and Renewed Risk Appetite

### Narrow Market Leadership Today, but Conditions Align for a Broader Recovery Ahead

- Market Participation Hit Capitulation Levels, Suggesting Scope for Mean Reversion:** Only 22% of stocks are outperforming the Nifty 50 on a 12-month basis, while 28% trade above their 50-day EMA, both sitting at historically depressed zones. Additionally, just 23% of stocks exhibit positive rolling alpha versus a long-term average of 46 percent. Together, these indicators confirm that market breadth is extremely weak, with conditions that have previously preceded phases of improvement.
- India Poised to Benefit as Global Cycles Rotate Out of AI and Crypto Excesses:** After a year of consolidation driven by stretched valuations, slowing earnings, and a rotation of foreign capital toward AI-heavy markets like China, Taiwan and Korea, India's MSCI weight fell from above 20 percent to nearly 16 percent. With early signs of cooling in the global AI trade and the broader unwind in crypto-linked risk assets, capital is likely to rotate back toward more stable, under-owned markets. Coupled with domestic earnings expected to rebound meaningfully from FY27, the setup for foreign inflows is turning more favourable. Strong domestic flows further reinforce the runway for a healthier and more broad-based market uptrend in 2026.

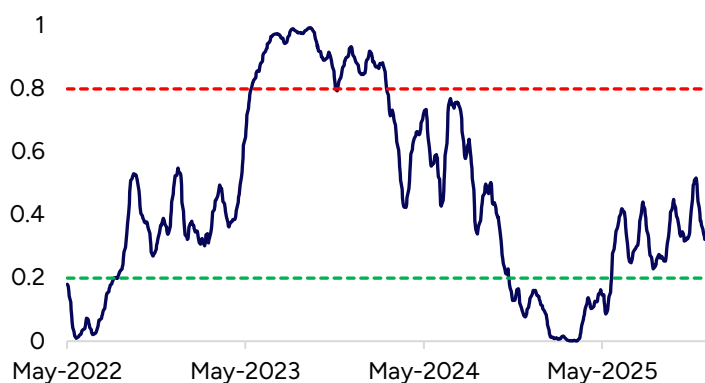
The Nifty/Gold 1-year return spread is at extreme negative levels, signaling a turn in favor of equities as investors shift from safe-haven assets to growth exposure.



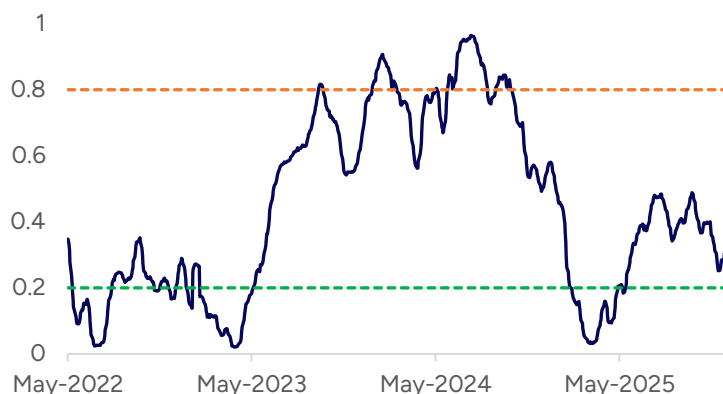
Momentum catch-up has been strong, while Value continues to remain firm signaling a clear risk-on rotation in market positioning.



Sentiment has dipped, but macro data and the ongoing anti-AI rotation suggest this is a short-term blip rather than a trend reversal.



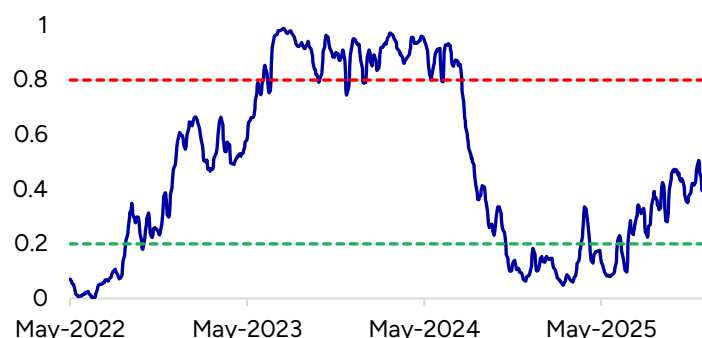
Value-Meter places market in the attractive zone, indicating scope for re-rating as growth and foreign participation strengthen.



Sector High-Low Beta spread has turned positive, indicating a shift toward a high-beta, risk-on environment



Risk-o-Meter indicates that markets may have passed peak pessimism



Adaptive. Quantitative. Unbiased. Alpha.

To generate alpha across market cycles by investing in equity or equity-linked instruments based on proprietary fundamental quantitative frameworks and models.

Strategy Inception date:	June 12, 2023
Strategy Type:	Open-ended
Benchmark:	BSE 500 TRI
Investment Horizon:	5 Years+
Portfolio Manager:	Mr. Siddharth Vora

A bar chart comparing the performance of AQUA (dark blue bars) and BSE 500 TRI (green bars) across seven time periods. The y-axis represents percentage return, ranging from -5% to 25% in 20% increments. The x-axis lists the time periods: 1 month, 3 months, 6 months, 9 months, 1 Year, 2 Year, and Since Inception. Data labels above each bar indicate the exact percentage return.

Time Period	AQUA (%)	BSE 500 TRI (%)
1 month	2.22%	0.96%
3 months	10.29%	6.57%
6 months	10.10%	5.62%
9 months	21.75%	21.09%
1 Year	-0.24%	6.27%
2 Year	11.15%	16.16%
Since Inception	24.19%	18.86%

AQUA gained 2.22% in November vs. 0.96% for BSE 500 TRI, supported by strong midcap selection and core allocations in Financials (40%), Materials (22.65%), Industrials (9.94%), and Automobiles (9.45%). Size allocation remained balanced across large (44%), mid (40%) and small caps (14%), with the remaining 2% held in cash. The portfolio's top style tilts were Momentum (24.34%), Value (22.44%) and Quality (16.29%), ensuring diversified factor exposure. Portfolio beta was 1.3, and since inception AQUA has delivered 24.19% vs. 18.86% for the benchmark.

Quarter	Strategy	Benchmark
2023-24 Q2	21.51%	5.49%
2023-24 Q3	20.03%	12.35%
2023-24 Q4	5.54%	4.49%
2024-25 Q1	14.50%	11.66%
2024-25 Q2	6.53%	7.65%
2024-25 Q3	-7.75%	-7.79%
2024-25 Q4	-13.11%	-4.39%
2025-26 Q1	9.22%	10.77%
2025-26 Q2	-2.14%	-3.23%
2025-26 Q3 (OTD)	6.70%	5.27%

SI / 3 Yr Alpha	5.33%
Standard Deviation	18.25%
Sharpe	0.86
Sortino	0.93
Beta	1.30
Max Drawdown	-26.04%

Holdings	1M Returns
GMRAIRPORT	16 %
CUB	15 %
BSE	14 %
ASHOKLEY	13 %
LTF	12 %

Source: PL / Data till 30<sup>th</sup> November 2025

The chart displays the 1-year returns for three indices across four market phases. The Y-axis represents the percentage return, ranging from -40% to 80% in increments of 40%. The X-axis lists the market phases and their corresponding time periods. The legend identifies the indices: AQUA (dark blue), BSE 500 TRI (green), and Nifty 50 (orange).

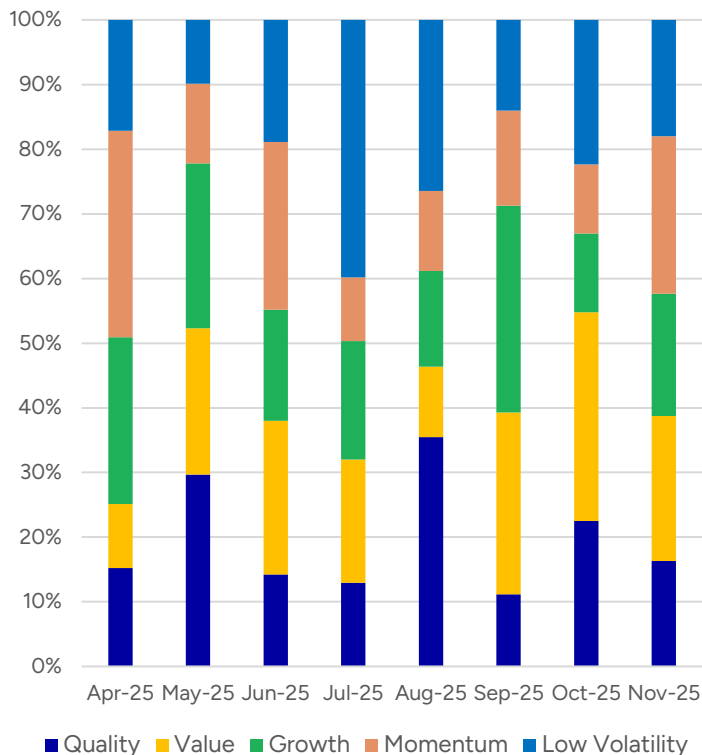
Market Phase	Time Period	AQUA	BSE 500 TRI	Nifty 50
Bull	1Y Returns as on 30th June 2024	76%	38%	25%
Sideways	30th June - 31st December 2024	-2%	-1%	-2%
Bear	31st December - 28th February 2025	-19%	-11%	-6%
Recovery	28th February 2025 - till date	22%	21%	18%

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# AQUA

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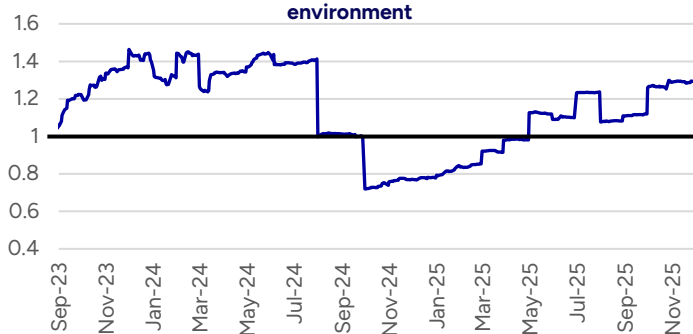
Materials stayed steady, Financials saw a notable increase, Healthcare was trimmed, IT remained at 0, and Cash reduced to 2% as cyclical continued to lead.



Sector	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Industrials	8%	9%	10%	8%	8%	11%	10%	10%
Financials	38%	38%	41%	29%	28%	31%	37%	40%
Auto	2%	2%	3%	5%	6%	9%	9%	9%
Healthcare	0%	0%	0%	5%	9%	3%	1%	0%
Materials	11%	14%	16%	18%	18%	24%	22%	23%
Cons. Discretionary	4%	8%	5%	5%	5%	2%	2%	4%
IT	13%	13%	12%	1%	3%	0%	0%	0%
Utilities	3%	0%	0%	0%	0%	0%	3%	0%
Cons. Staples	5%	3%	3%	3%	3%	3%	3%	3%
Realty	3%	2%	2%	2%	2%	2%	2%	2%
Cash	5%	8%	4%	14%	10%	10%	5%	2%
Energy	0%	0%	0%	0%	0%	0%	2%	2%
Chemicals	5%	0%	0%	3%	3%	3%	2%	3%
Comm. Services	2%	3%	3%	5%	5%	2%	2%	2%

## Beta vs Benchmark

Portfolio beta steadily increased above 1 to align with risk recovery environment



## 3m Rolling Alpha vs Benchmark

Clear & sustained alpha recovery visible on a rolling 3-month basis

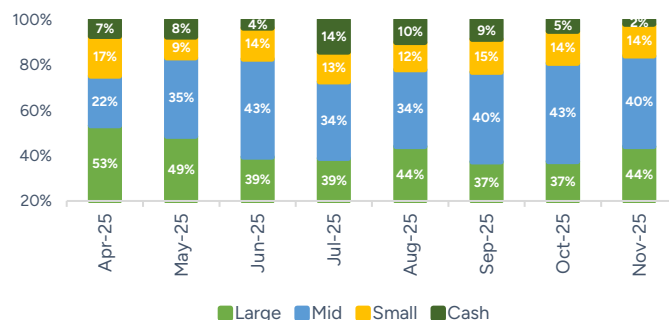


## Average Portfolio Market cap (in '000 crores)

Reduced average portfolio market-cap reflects more constructive positioning to play risk recovery



## Portfolio Market Cap Allocation Mix



## Multi Asset Dynamic Portfolio

A low-risk, all-weather strategy to wealth creation

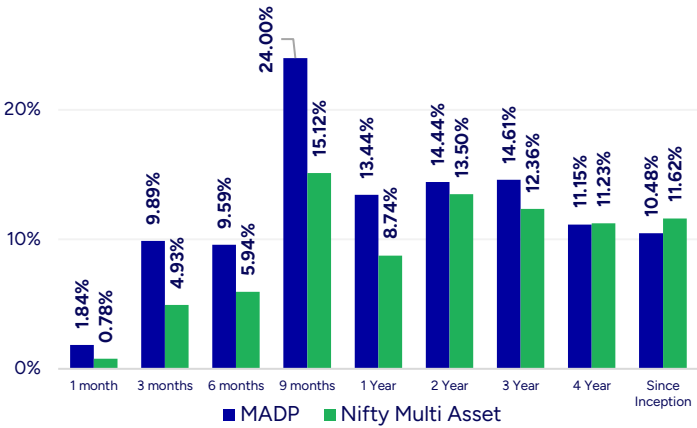
### Investment Objective

The investment objective is to generate consistent long-term capital appreciation and manage associated risks by investing in a diversified multi-asset portfolio comprising various financial instruments across different asset classes.

### Key Information

Strategy Inception date:	June 7, 2021
Strategy Type:	Open-ended
Benchmark:	BSE 500 TRI
Investment Horizon:	5 Years+
Portfolio Manager:	Mr. Siddharth Vora

### Performance Summary



Source: PL | Data till 30<sup>th</sup> November 2025  
Inception Date: 7<sup>th</sup> June 2021  
Note: Actual returns net of expenses, fees, and associated costs.

### Key Highlights

MADP gained 1.84% in November, significantly outperforming its benchmark Nifty Multi Asset Index, which rose 0.78%. The portfolio maintained its disciplined allocation framework with 29% in gold and 71% in equities, diversified across large caps (35.97%), midcaps (14.61%) and small caps (20.38%). The strategy continued to benefit from systematic rebalancing and cross-asset diversification, which helped cushion volatility and enhance risk-adjusted returns. Over the last three years, MADP has delivered 14.61% annualized returns, outperforming the benchmark's 12.36%.

### Last 6 Quarters

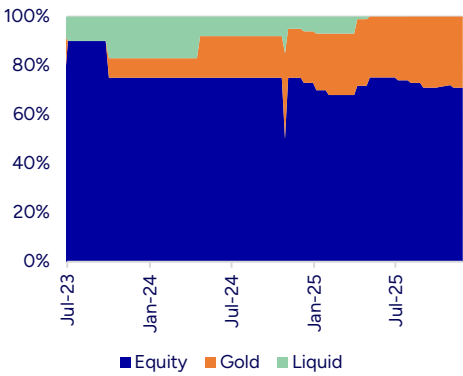
Quarter	Strategy	Benchmark
FY24-25 Q2	5.17%	5.12%
FY24-25 Q3	-6.30%	-3.13%
FY24-25 Q4	-2.10%	-1.26%
FY25-26 Q1	9.81%	7.15%
FY25-26 Q2	1.10%	0.09%
FY25-26 Q3 QTD	5.90%	3.35%

Source: PL | Data till 30<sup>th</sup> November 2025;  
Inception Date: 7<sup>th</sup> June 2021

### Risk Profile

SI / 3Yr Alpha	2.25%
Standard Deviation	8.63%
Sharpe	0.35
Sortino	0.44
Beta	1.03
Max Drawdown	-13.79%

### Historical Allocation

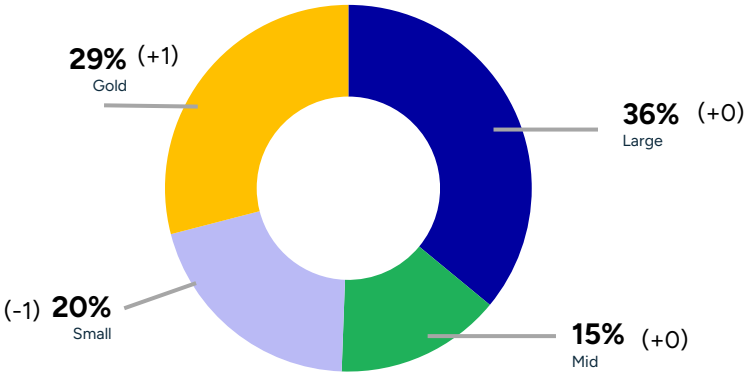


### Portfolio (Top 5 Performers)

Holdings	1 M Returns
GOLDBEES	4.60%
NIFTYBEES	1.86%
NIFTY MIDCAP 150	1.78%
MIDSMALL 400 MOM QUAL 100	0.98%
JUNIORBEES	-0.91%

Source: PL | Data till 30<sup>th</sup> November 2025

### Asset Allocation



Source: PL | Data till 30<sup>th</sup> November 2025  
Note: Number in brackets indicate change in allocation from previous month

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