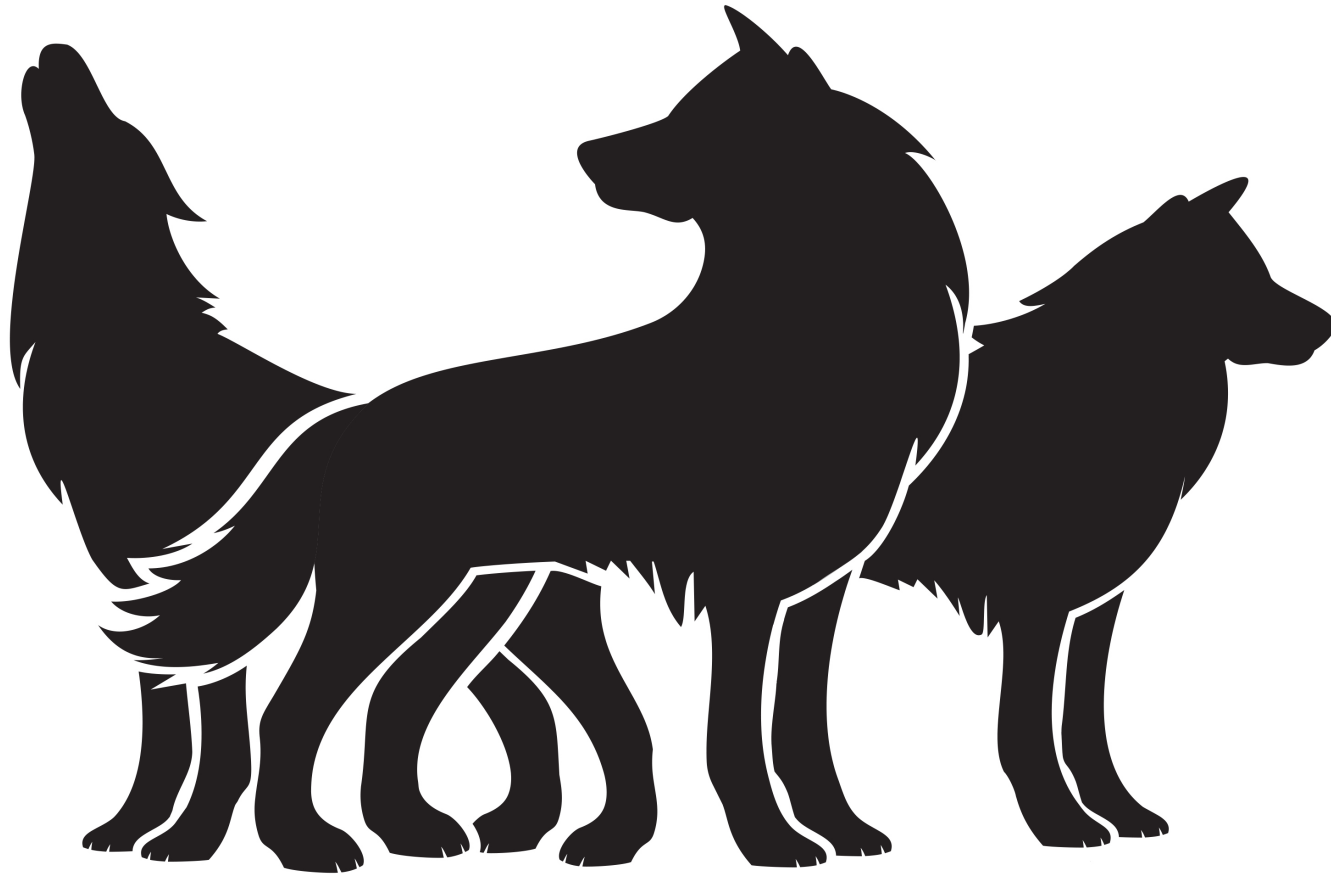


— What's missing?

India Wealth Management Forum

- 2022

The wolves of **yellowstone**



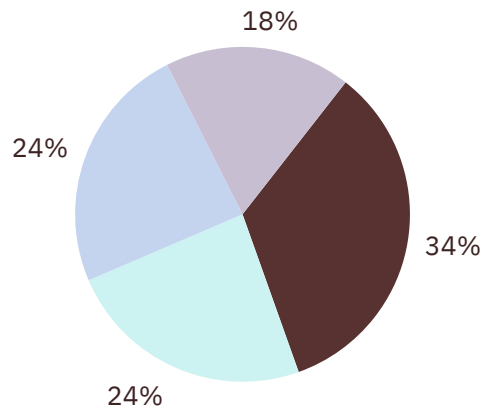
— **What does the HNW portfolio lack?**

I. Alternative Assets?

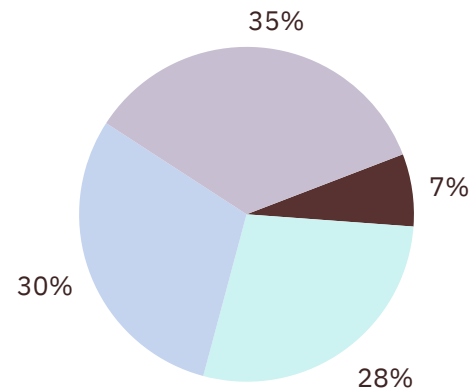


■ Alternative ■ Dom Equity ■ Debt ■ Others

Average US HNW Portfolio



Average Indian HNW Portfolio

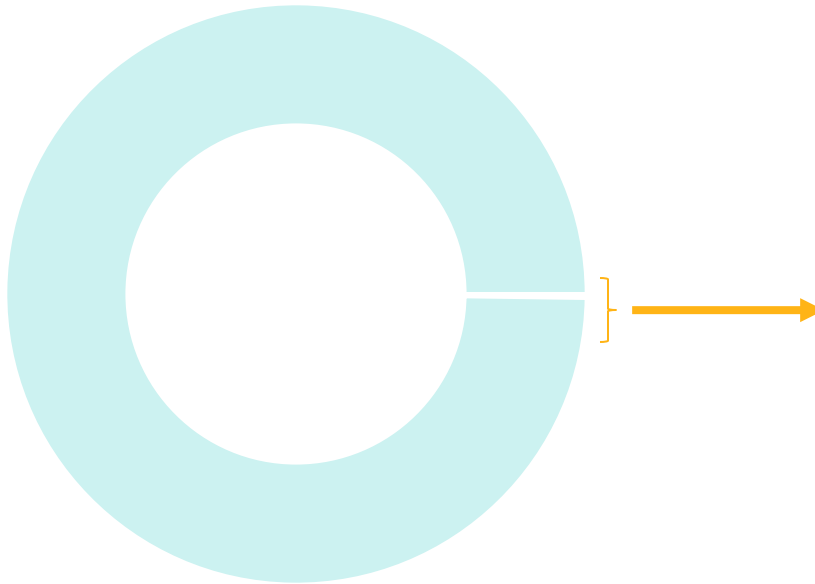
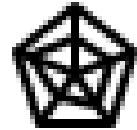


Why add alternative assets?

Average correlation of Alternative assets with Equity is **15%** and Debt is **-17%**

Disclaimer/Source: Alternative assets – HFRI FOF, Equity: SP500, Debt: JPM US Govt Bonds

II. Quantitative Assets?



Only **0.22%** assets are earmarked to systematic strategies of the total AUM of PMS in India

Why add quant strategies?

Eliminate human biases by adding non-discretionary, rule-based, systematic strategies

Disclaimer/Source: MOAMC Research

III. Alternate Beta Assets?

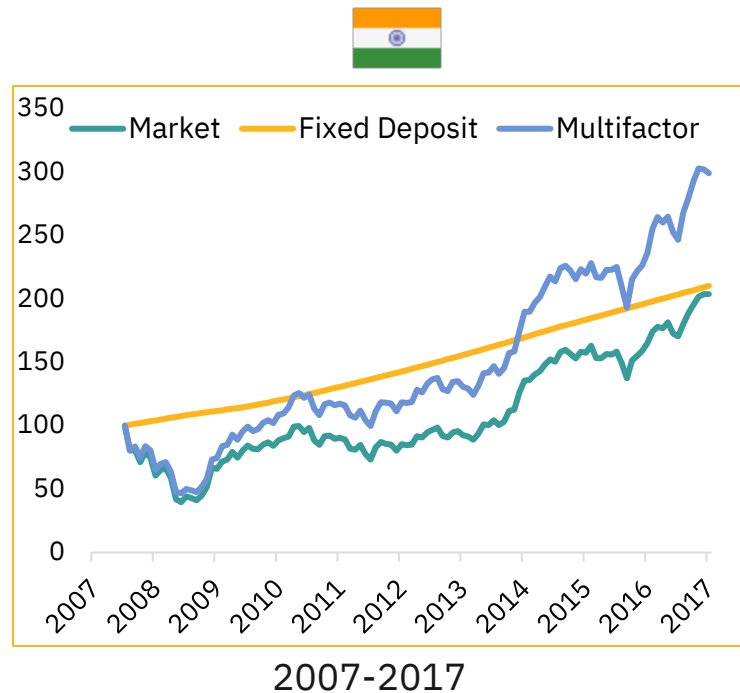
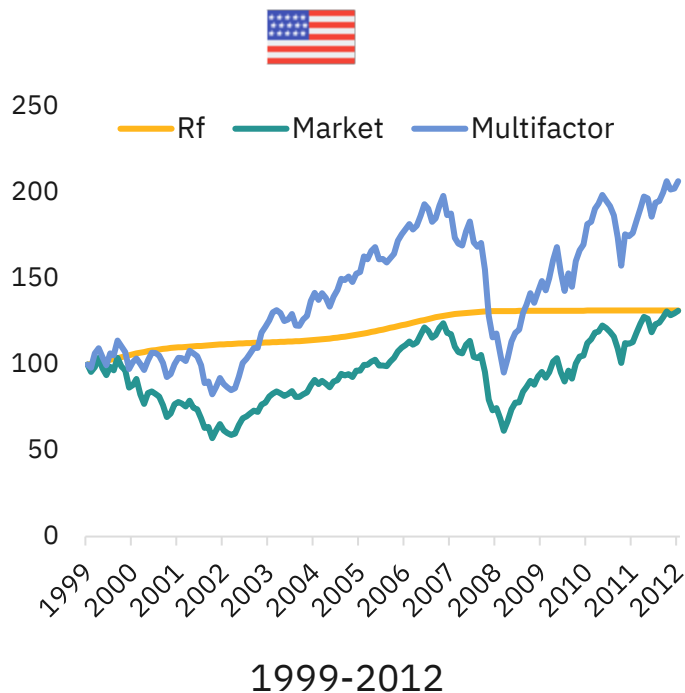


Missing ?

Category	Market	Size	Value	Quality	Low Volatility	Momentum
Largecap	72	1	2	5	14	6
Large & Midcap	47	21	3	5	14	9
Midcap	6	60	1	7	18	9
Smallcap	2	73	1	5	11	7
Multicap	42	27	6	6	14	7
Flexicap	55	11	3	7	14	9
Focused	52	13	5	6	15	9

Disclaimer/Source: MOAMC Research

III A. Equity always outperforms in the long term?

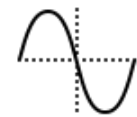


Why add multi-factor exposure?

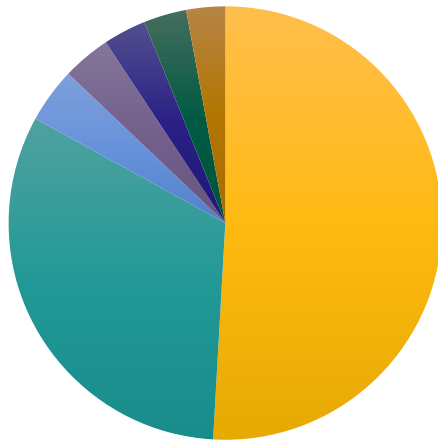
Contrary to popular belief, markets have underperformed by ~10+ years to debt, but a multi-factor portfolio has outperformed. Time to move **beyond CAPM!**

Disclaimer/Source: FF Kenneth library, S&P BSE, MOAMC Research

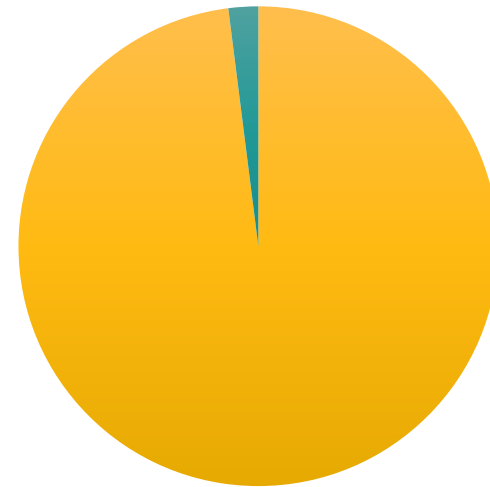
IV. Long Volatility Assets?



What your portfolio looks like?



What your portfolio actually is

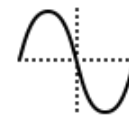


■ Debt ■ Equity ■ Private Equity ■ Hedge Funds ■ Other ■ Real Estate ■ Cash

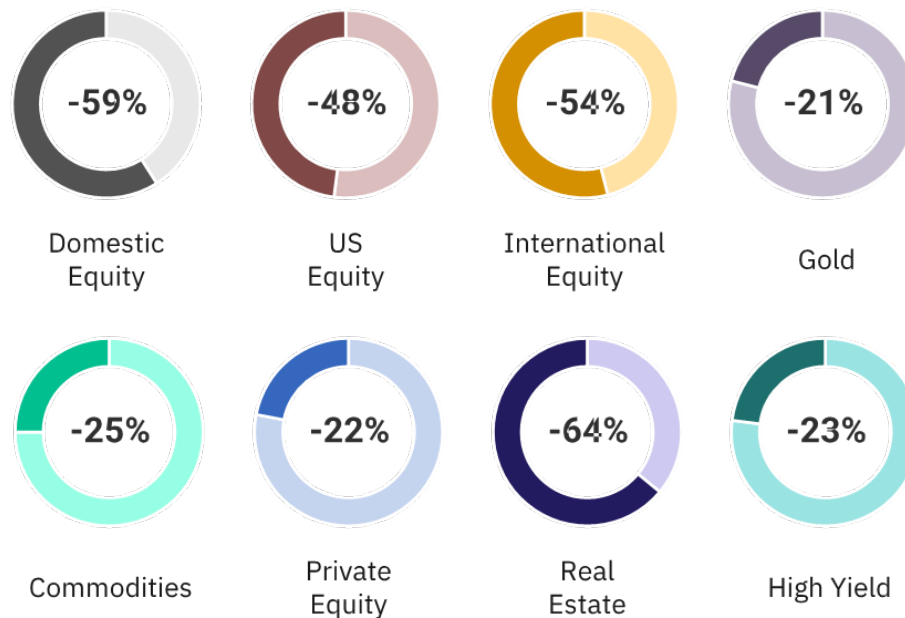
■ Short Volatility ■ Long Volatility

Disclaimer/Source: WTWCO, Artemis

IV A. Is Asset class diversification enough?



Peak-to-trough drawdowns



Why add long vol exposure?

Black Swan events like the GFC showed us that all asset classes can fall together eliminating any diversification benefit we thought we had.

Disclaimer/Source: Attain Alternatives Blog

Time to 're-imagine' diversification?



Make your portfolio whole by adding -



Alternate assets



Quantitative assets



Multi-factor exposure



Long-Volatility exposure

Mandatory marketing plug!



If you have all we discussed in your portfolio.....



If not.....

Contact Us -

Write:

aifservice@motilalosal.com

Visit: www.motilalosalmf.com



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