

# ALCHEMY ALPHA 100

Quantitative Strategy Endeavouring to Deliver Consistent Alpha

Fund Manager: Alok Agarwal | Co-Fund Manager: Deven Ved

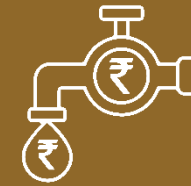
## WHY INVEST IN LARGE CAPS ?



Better Risk-Reward



Sector Leaders



Liquidity

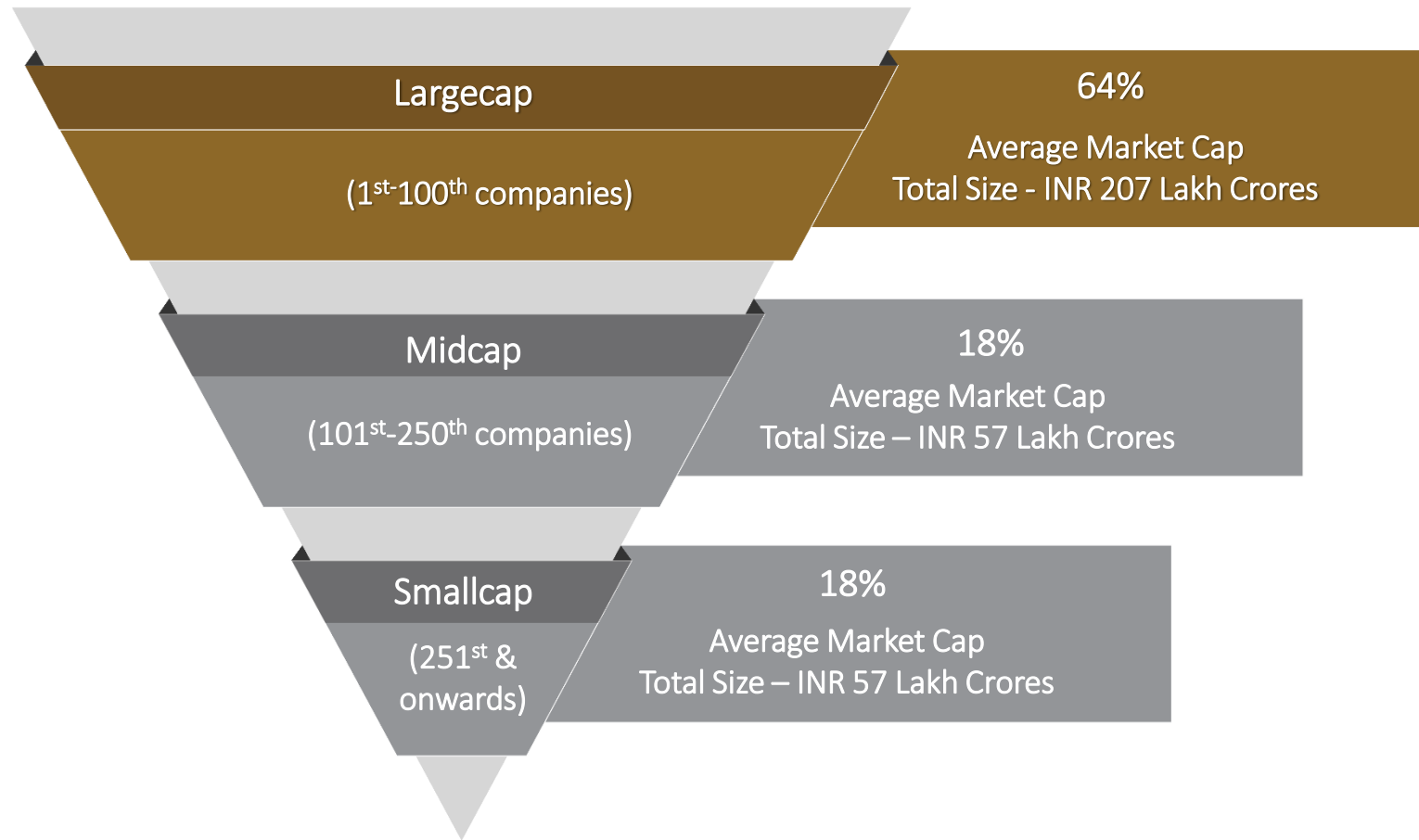


Less Volatile

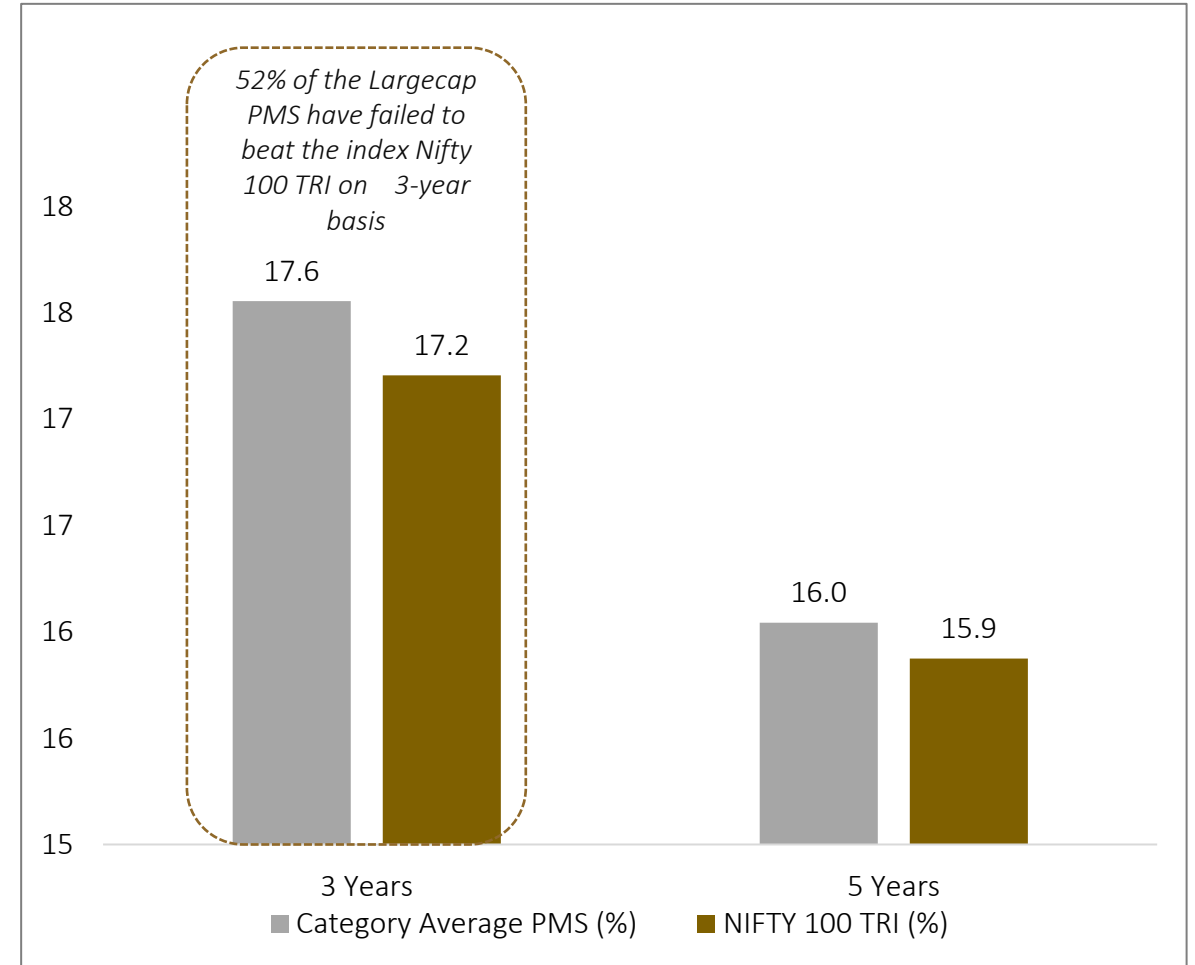
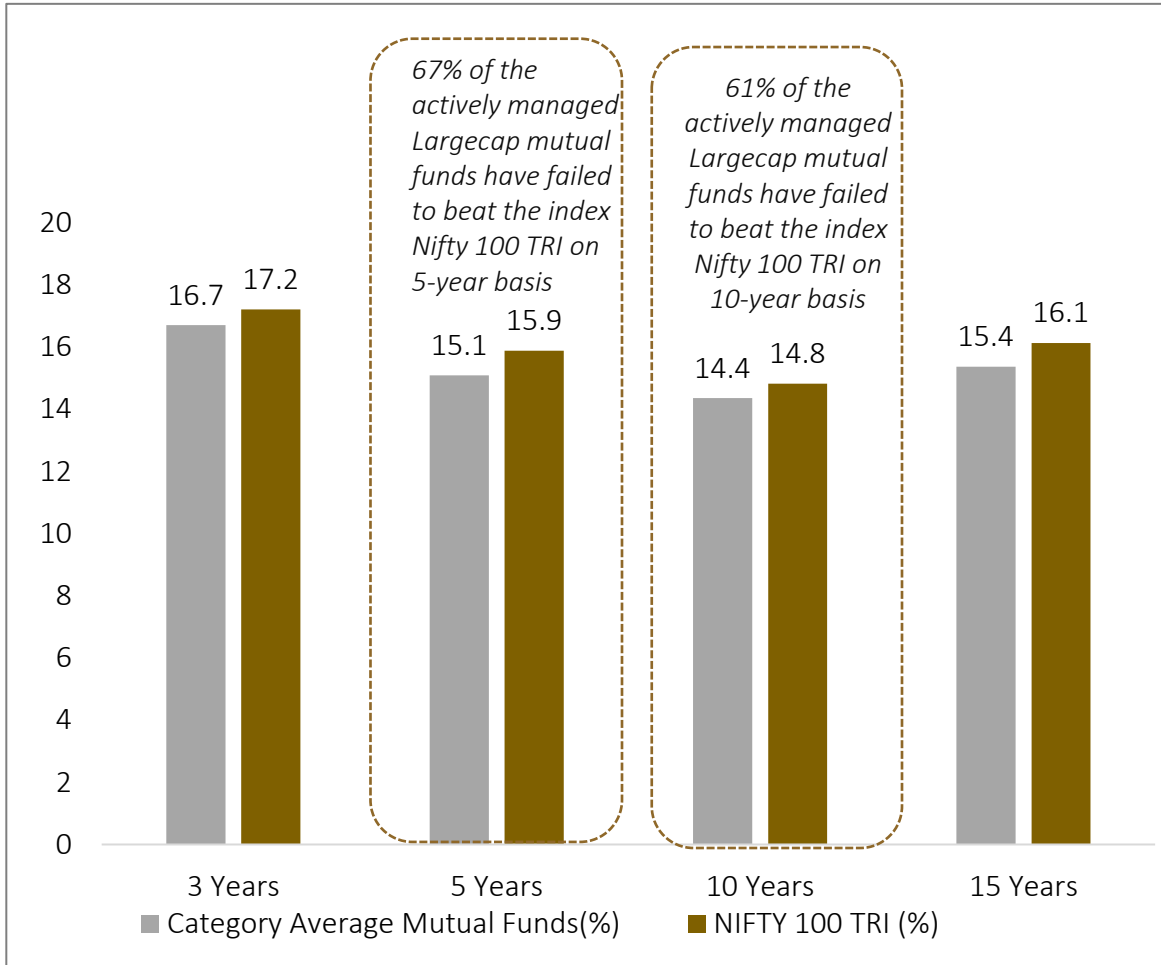


Well Researched

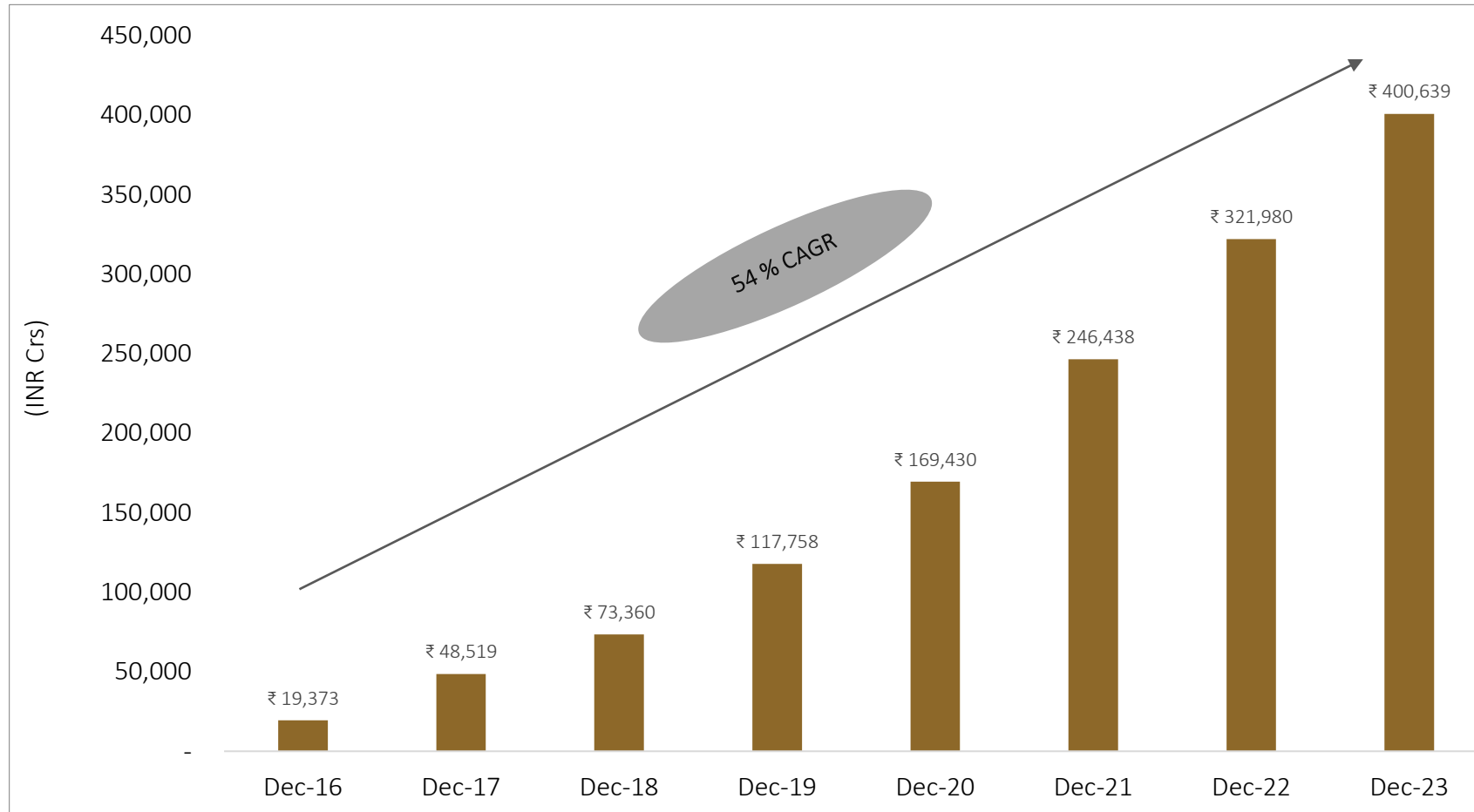
# THE LARGE CAP UNIVERSE



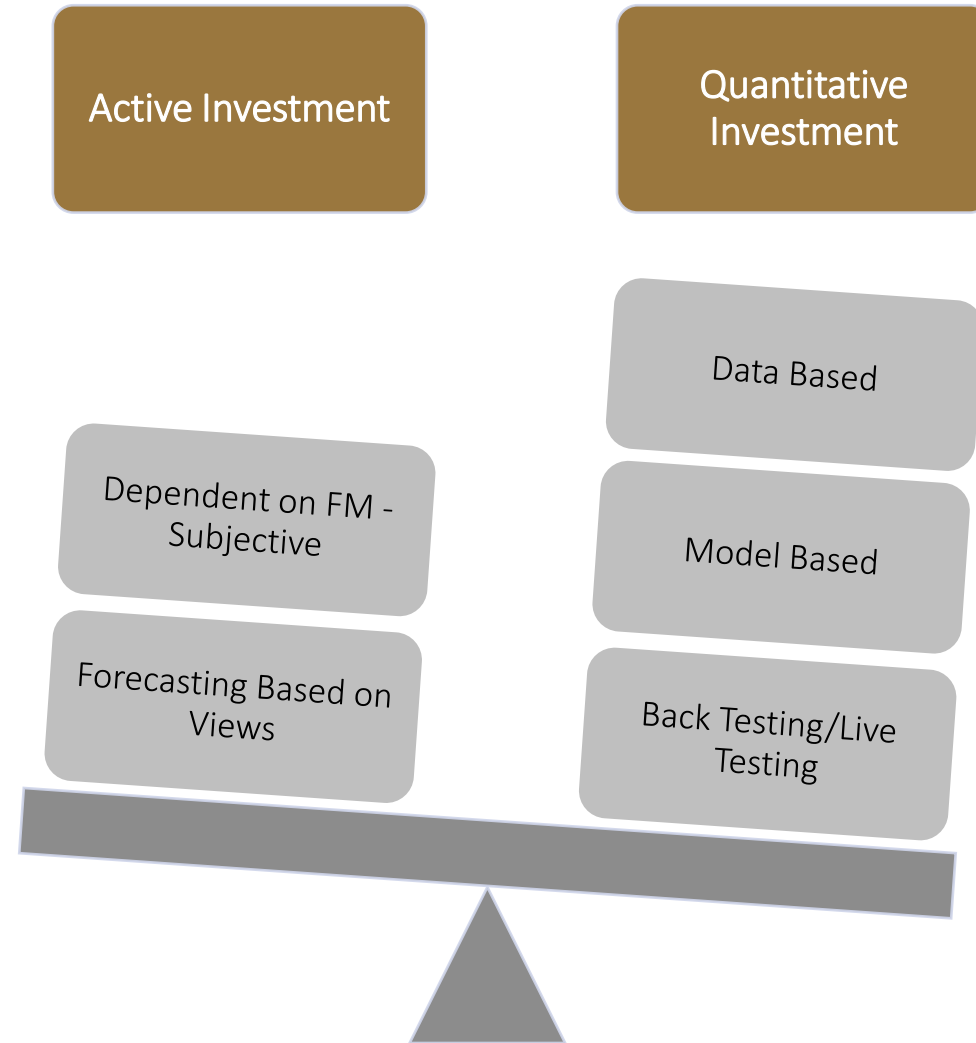
# PARADOX OF LARGE CAP INVESTING



# LARGECAP ETF AUM



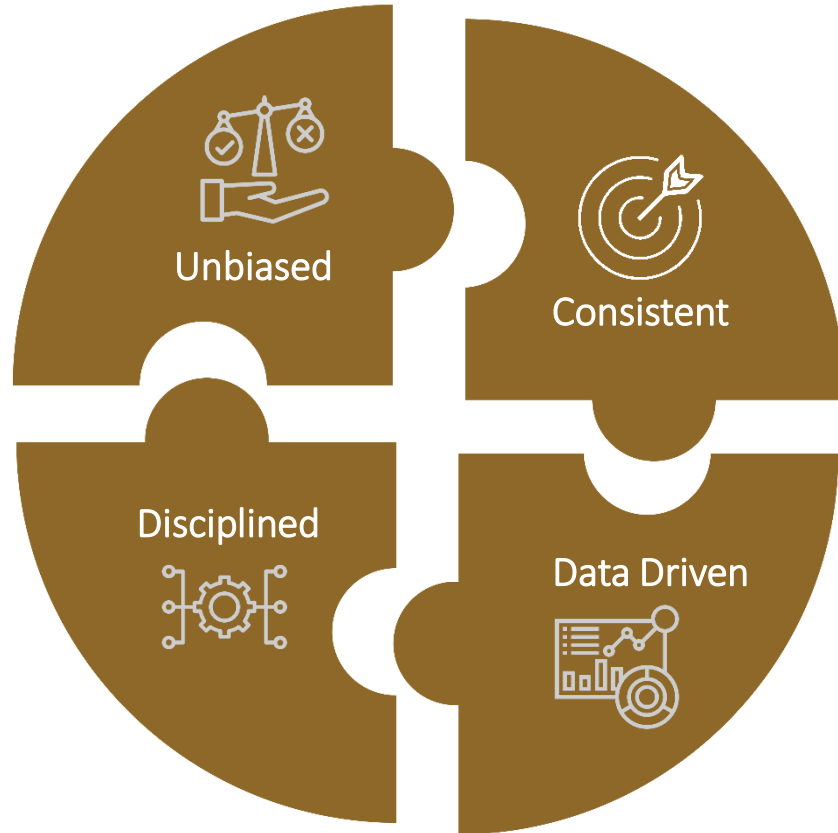
## INVESTMENT STYLE



Right Stock + Right Theme + Right Sector + Right Market Cycle = Key to Successful investment Strategy

- Even the most experienced investors are prone to biases which are inherent in the investing process. This results in inconsistent alpha generation.
- Quant model provides the edge by virtue of bringing an unbiased and disciplined approach to investing.
- Portfolio construction with timing, along with risk-reward metrics aims to generate consistent alpha.

## PRODUCT STRATEGY HIGHLIGHTS\*

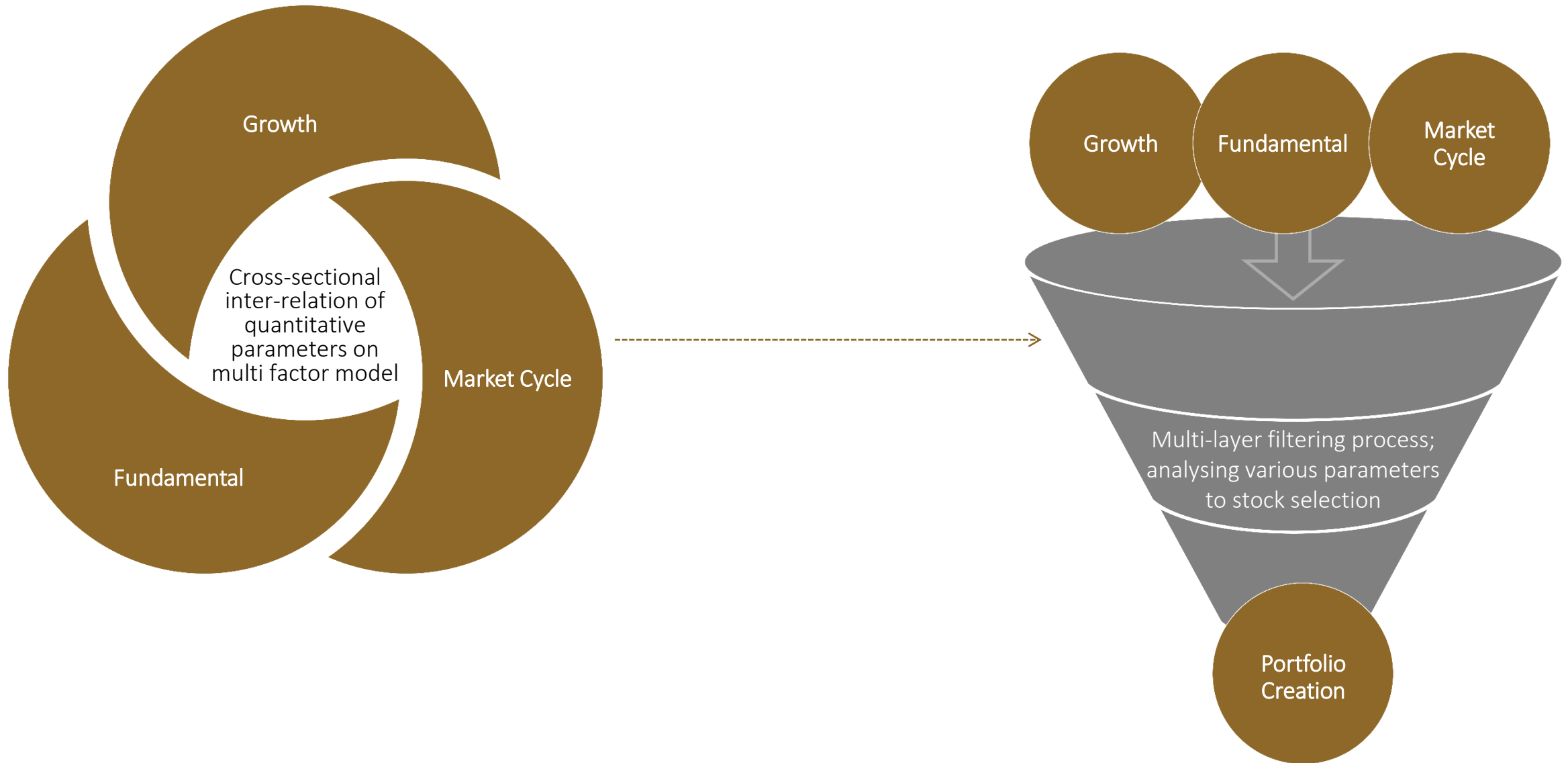


- Alchemy Alpha 100<sup>^</sup> endeavors to provide a consistent "alpha" investment strategy which build & manage portfolios to deliver consistent outperformance over the long term, using an objective, back tested and data driven approach devoid of any biases.
- Stock allocation, its relative ranking/positioning in the portfolio and timing along with risk controls, play a very important part of the alpha generation process.
- Strong data-based research process, which considers all sources of alpha generation comprehensively, thus helps in creating an unbiased and disciplined investment approach - a key to successful and consistent investment outcomes.

<sup>^</sup>Alchemy Alpha 100 is one of the Portfolio Management Services products managed by M/s Alchemy Capital Management Pvt Ltd, a SEBI registered Portfolio Manager.

\*The investment objectives and strategy are indicative and there are no assurances that it will be achieved. Investors are advised to take independent tax, legal, risk, financial and other professional advice.

# INVESTMENT PROCESS



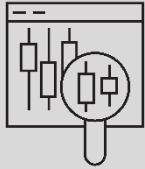


# INVESTMENT CRITERIA



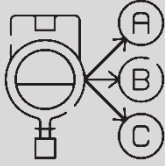
**Growth**

- Revenue
- Income
- Free Cash Flow
- CAPEX



**Market Cycle**

- Performance vis à vis Index
- Relative Drawdown
- Price Performance
- Volatility
- Shareholding

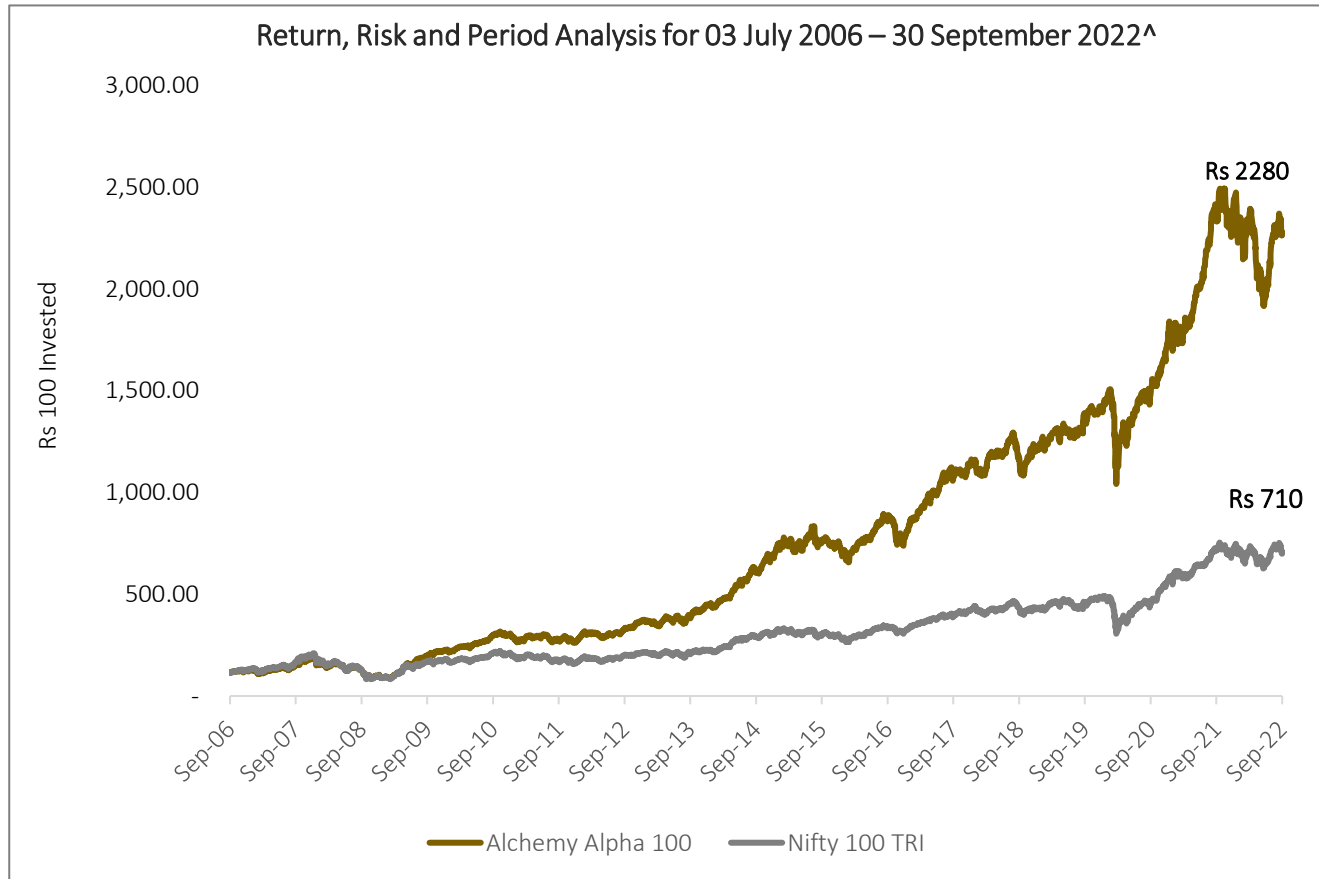


**Fundamental**

- Cash Conversion Cycle
- Working Capital
- Return on Capital
- Debt

Some Quantitative Factors part of the Quant Proprietary Model\*

# BACK TESTED PERFORMANCE\* - RISK-RETURN ANALYSIS



Particulars	Alchemy Alpha 100	Nifty 100 TRI
Return <sup>^</sup>	21.2%	12.8%
Standard Deviation	19.7%	21.8%
Max Drawdown <sup>#</sup>	56.0%	61.1%
Information Ratio	0.86	
Beta	0.84	1
Upside Capture Ratio <sup>##</sup>	101%	
Downside Capture Ratio <sup>##</sup>	68%	
Capture Ratio <sup>##</sup>	150%	
Churn	~ 1.2	

Rolling analysis of data points for the Back tested period			
Period Analysis	1 Year	3 Years	5 Years
Total rolling points of observation	3779	3287	2787
Success Ratio (Alpha >0%)	87%	100%	100%
Min Alpha <sup>^^</sup>	-25.9%	1.5%	2.7%
Max Alpha <sup>^^</sup>	63.1%	22.5%	17.9%
<b>Median Alpha</b>	8.1%	10.0%	10.9%
Estimated Transaction Cost	0.6%	0.6%	0.6%
<b>Net Alpha Before Mgt Fees(**)</b>	7.5%	9.4%	10.3%

\*The back tested past performance is for illustration purpose only and is not an indicator /assurance of future performance.

<sup>^</sup>Returns are shown as gross of all fees, expenses(excluding transaction cost) & taxes, if any. Data as of 30 Sep 2022. **Performance related information provided herein is not verified by SEBI**

<sup>#</sup>For the product, the period of max drawdown was March 2009 and for the Index the period of max drawdown was Oct 2008 and for the same period, the drawdown of the product was 54.5%

<sup>##</sup>Calculated using Geometric Mean of monthly returns.

<sup>^^</sup>Period of Min Alpha ( 1 Year: March 2021 3 Years: August 2022 5 Years: September 2022), Period of Max Alpha (1 Year: March 2010 3 Years: March 2012 5 Years: February 2014)

\*\* Values are rounded off to the nearest integer.

# BACK TESTED PERFORMANCE\* - MARKET PHASES

## Bear Phases

Start Date	End Date	NIFTY 100 TRI (%)	NIFTY 50 TRI (%)	Alchemy Alpha 100 (%)
08-Jan-08	27-Oct-08	-61.00	-59.50	-53.83
04-Nov-10	20-Dec-11	-25.87	-24.24	-14.92
03-Mar-15	25-Feb-16	-20.58	-21.71	-15.86
14-Jan-20	23-Mar-20	-37.91	-38.27	-27.67

## Bull Phases

Start Date	End Date	NIFTY 100 TRI (%)	NIFTY 50 TRI (%)	Alchemy Alpha 100(%)
27-Oct-08	04-Nov-10	62.93	58.73	87.06
28-Aug-13	28-Nov-14	51.12	49.01	68.04
25-Feb-16	29-Jan-18	30.61	29.16	34.53
23-Mar-20	29-Oct-21	70.76	71.14	67.79

## Sideways Market

Start Date	End Date	NIFTY 100 TRI (%)	NIFTY 50 TRI (%)	Alchemy Alpha 100(%)
20-Dec-11	28-Aug-13	11.54	10.85	20.56
28-Nov-14	03-Mar-15	5.43	4.89	13.77
29-Jan-18	14-Jan-20	5.61	6.97	11.63

\*The back tested past performance is for illustration purpose only and is not an indicator /assurance of future performance. Back testing period : 03 July 2006 – 30 September 2022

^ Returns are shown as gross of all fees, expenses(excluding transaction cost) & taxes, if any. **Performance related information provided herein is not verified by SEBI.**

Note: 1. Period selected above is for illustration purposes only and may not cover all scenarios.

2. Nifty 50 is the benchmark opted for the product as per APMI Circular APMI/2022-23/02 dated March 23, 2023.

# BACK TESTED PERFORMANCE\* - ROLLING 1 YEAR NEGATIVE / POSITIVE PHASES

Nifty delivering negative returns (1 Yr. Daily Rolling Returns)

Initial Rolling Start Date	Initial Rolling End Date	Last Rolling Start Date	Last Rolling End Date	Number of Occurrences	NIFTY 100 TRI Negative Occurrence	NIFTY 100 TRI Avg Return	NIFTY 50 TRI Negative Occurrence	NIFTY 50 TRI Avg Return
01-Sep-14	01-Sep-15	29-Sep-14	29-Sep-15	19	47%	0%	100%	-2%
30-Oct-14	30-Oct-15	01-Jun-15	01-Jun-16	144	95%	-7%	98%	-9%
30-Jul-18	30-Jul-19	19-Sep-18	19-Sep-19	34	94%	-4%	91%	-3%
09-Mar-19	09-Mar-20	22-Jul-19	22-Jul-20	91	100%	-16%	100%	-16%

Alchemy Alpha 100 Negative Occurrence	Alchemy Alpha 100 Avg Return
0%	22%
43%	2%
0%	3%
43%	1%

Nifty delivering positive returns (1 Yr. Daily Rolling Returns)

Initial Rolling Start Date	Initial Rolling End Date	Last Rolling Start Date	Last Rolling End Date	Number of Occurrences	NIFTY 100 TRI Positive Occurrence	NIFTY 100 TRI Avg Return	NIFTY 50 TRI Positive Occurrence	NIFTY 50 TRI Avg Return
01-Jan-13	01-Jan-14	31-Aug-14	31-Aug-15	411	100%	28%	100%	26%
02-Jun-15	02-Jun-16	29-Jul-18	29-Jul-19	782	97%	14%	98%	14%
20-Sep-18	20-Sep-19	08-Mar-19	08-Mar-20	116	98%	11%	99%	12%
23-Jul-19	23-Jul-20	31-May-21	31-May-22	462	96%	31%	96%	31%

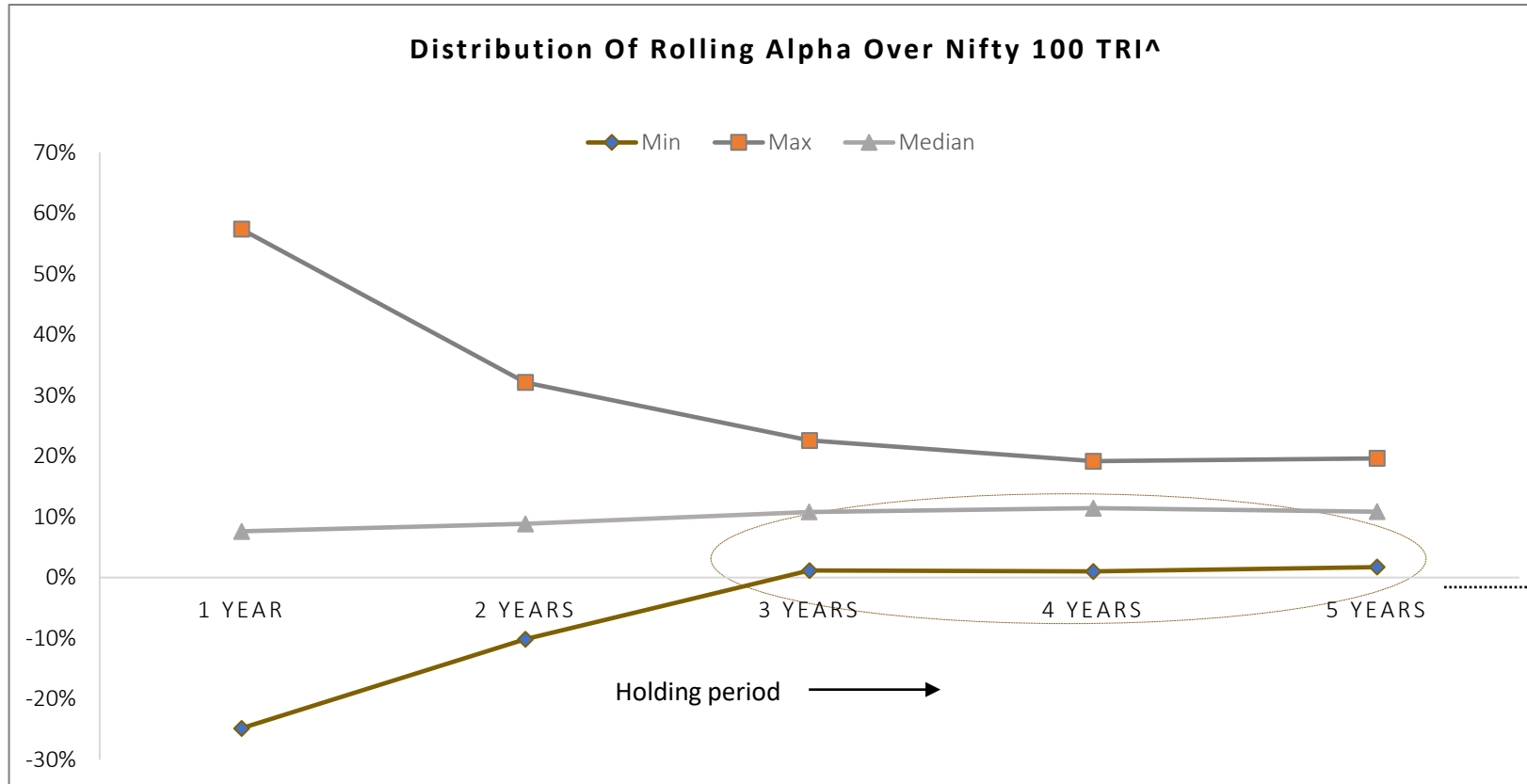
Alchemy Alpha 100 Positive Occurrence	Alchemy Alpha 100 Avg Return
100%	47%
99%	18%
100%	19%
100%	33%

\*The back tested past performance is for illustration purpose only and is not an indicator /assurance of future performance. Back testing period : 03 July 2006 – 30 September 2022

^ Returns are shown as gross of all fees, expenses(excluding transaction cost) & taxes, if any. Data as of 30 Sep 2022. **Performance related information provided herein is not verified by SEBI**

Note : Average returns are the average of the daily 1 year rolling returns between the given period. % of -ve/+ve occurrences shows the percentage of instances when the daily 1 year rolling return in given period was -ve/+ve.

# BACK TESTED PERFORMANCE\* - ROLLING ALPHA OVER NIFTY 100 TRI



Minimum alpha > 0% for over 3 years holding period in strategy

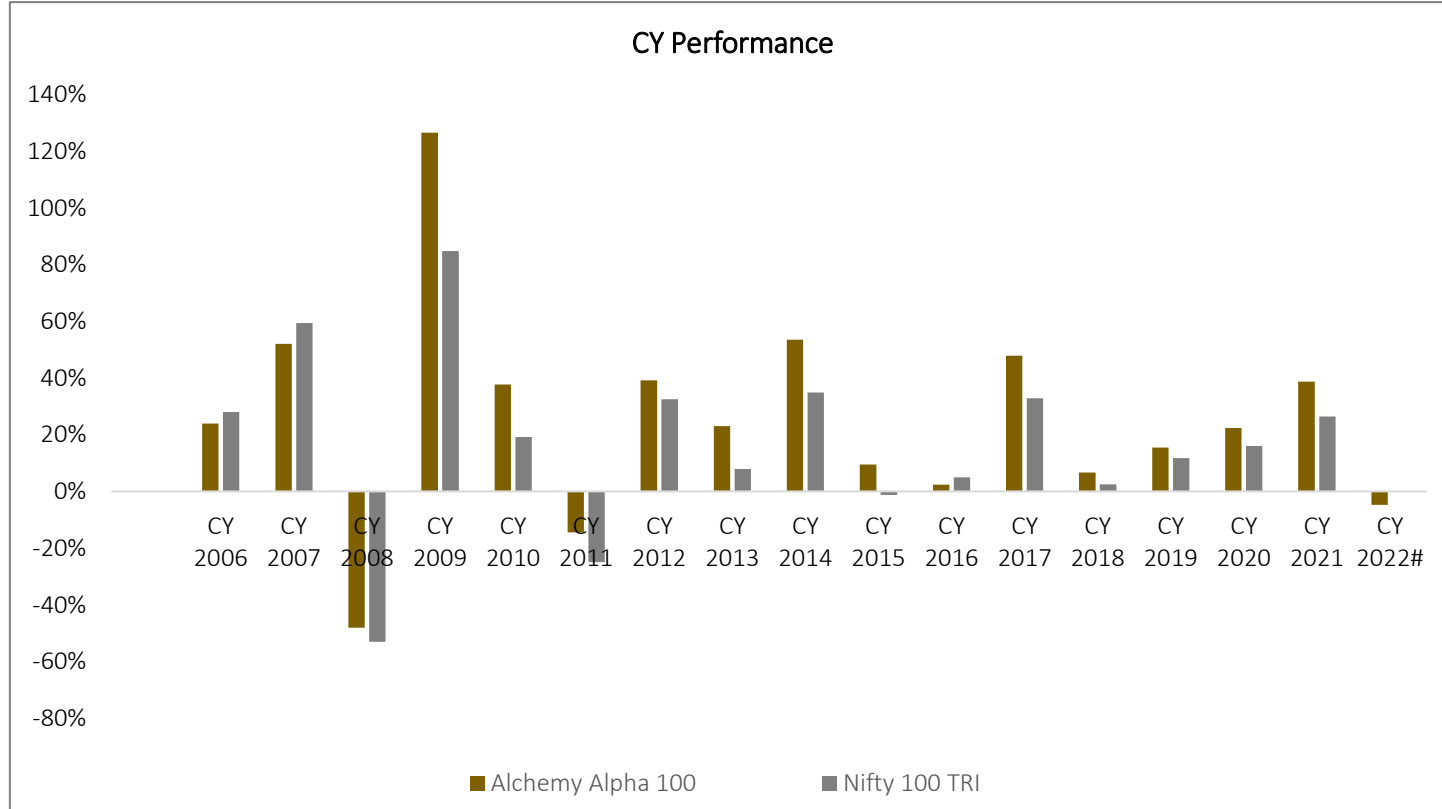
Rolling observation count	1 Year	2 Years	3 Years	4 Years	5 Years
	3,779	3,649	3,397	3,145	2,893

\*The back tested past performance is for illustration purpose only and is not an indicator/assurance of future performance.

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Inception Date: July 03, 2006

# BACK TESTED PERFORMANCE – CALENDAR YEAR RETURNS\*



Start Date	Market Cycles	Alpha Generated^	
		1 Year	3 Year
01-Nov-07	Near Top	7.2%	17.8%
09-Mar-09	Near Bottom	60.4%	22.3%
16-May-13	Near Top	10.3%	14.3%
16-Jan-20	Near Top	5.1%	3.5%#
23-Mar-20	Near Bottom	-24.5%	-3.4%#

\*The back tested past performance is for illustration purpose only and is not an indicator/assurance of future performance. Period considered : 3 July 2006 to 30 September 2022

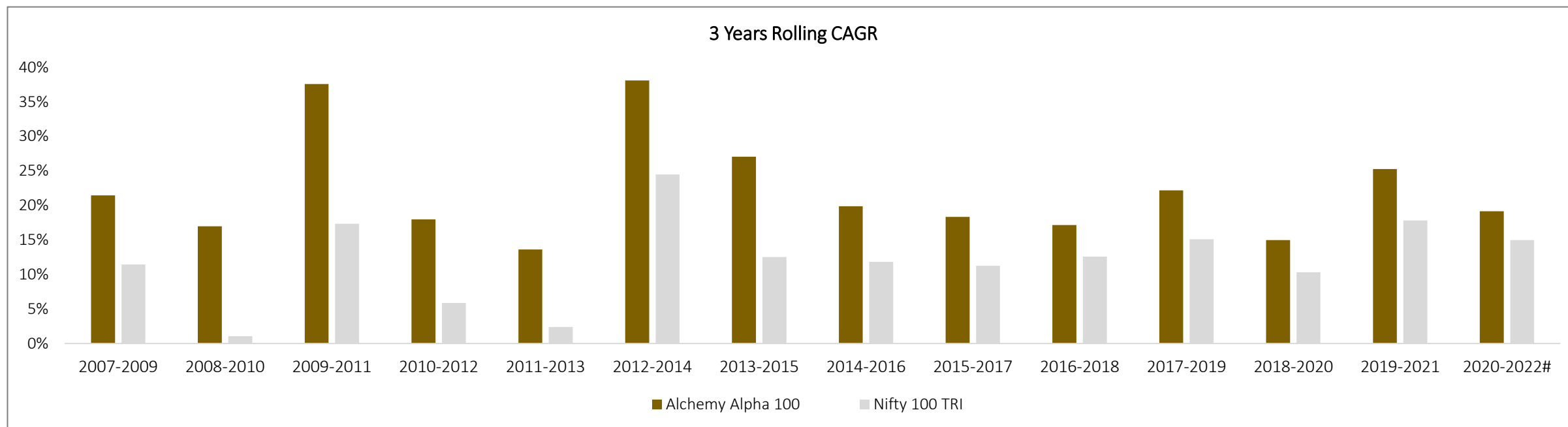
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**Performance related information provided herein is not verified by SEBI**

Data as of 30 September 2022 | #2022 data till 30 September 2022

Inception Date: July 03, 2006

# BACK TESTED PERFORMANCE\* - 3 YEARS ROLLING CAGR



	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013	2012-2014	2013-2015	2014-2016	2015-2017	2016-2018	2017-2019	2018-2020	2019-2021	2020-2022#
Alchemy Alpha 100 <sup>^</sup>	21%	17%	38%	18%	14%	38%	27%	20%	18%	17%	22%	15%	25%	19%
Nifty 100 TRI	11%	1%	17%	6%	2%	24%	13%	12%	11%	13%	15%	10%	18%	15%
Alpha <sup>^^</sup>	10%	16%	20%	12%	11%	14%	15%	8%	7%	5%	7%	5%	7%	4%

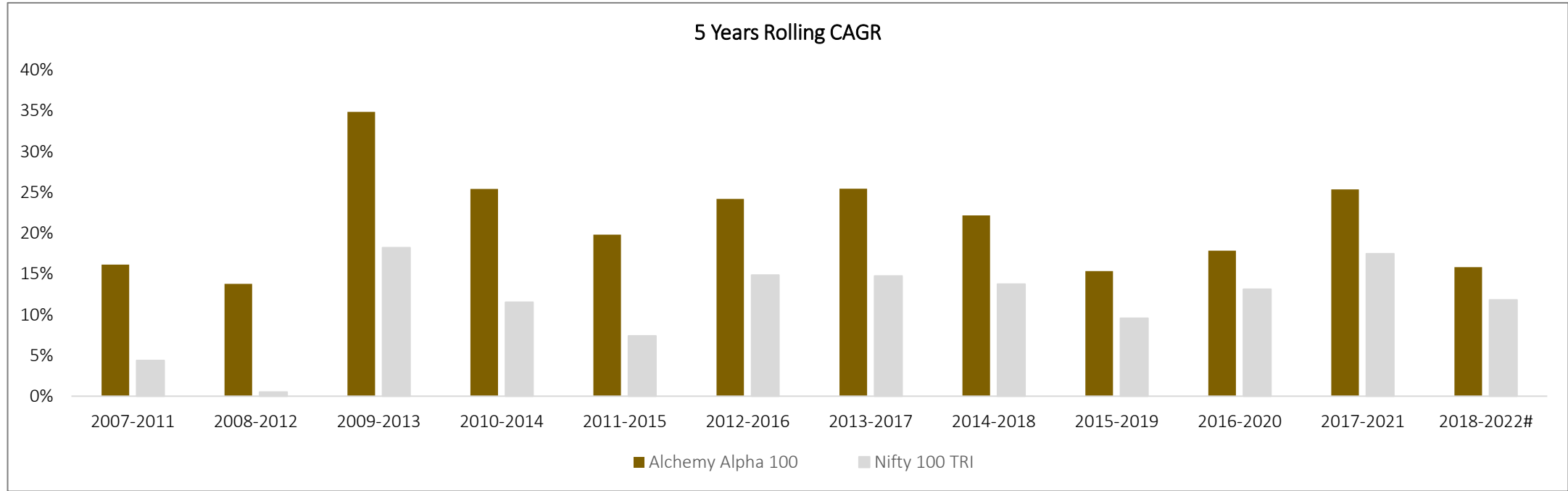
\*The back tested past performance is for illustration purpose only and is not an indicator/assurance of future performance. Back Testing Period considered : July 03, 2006 to September 30, 2022.  
For the above illustration table, Calendar Year from 2007 to 2021 has been considered. #2022 data till 30 September 2022

<sup>^</sup> Returns are shown as gross of all fees, expenses(excluding transaction cost) & taxes, if any. Data as of September 30, 2022. **Performance related information provided herein is not verified by SEBI**

<sup>^^</sup> Returns are rounded off to the nearest integer

Inception Date: July 03, 2006

# BACK TESTED PERFORMANCE\* - 5 YEARS ROLLING CAGR



	2007-2011	2008-2012	2009-2013	2010-2014	2011-2015	2012-2016	2013-2017	2014-2018	2015-2019	2016-2020	2017-2021	2018-2022#
<b>Alchemy Alpha 100<sup>^</sup></b>	16%	14%	35%	25%	20%	24%	25%	22%	15%	18%	25%	16%
<b>Nifty 100 TRI</b>	4%	1%	18%	12%	7%	15%	15%	14%	10%	13%	17%	12%
<b>Alpha<sup>^^</sup></b>	12%	13%	17%	14%	12%	9%	11%	8%	6%	5%	8%	4%

\*The back tested past performance is for illustration purpose only and is not an indicator/assurance of future performance. Back Testing Period considered : July 03, 2006 to September 30, 2022.

For the above illustration table, Calendar Year from 2007 to 2021 has been considered. #2022 data till 30 Sep 2022

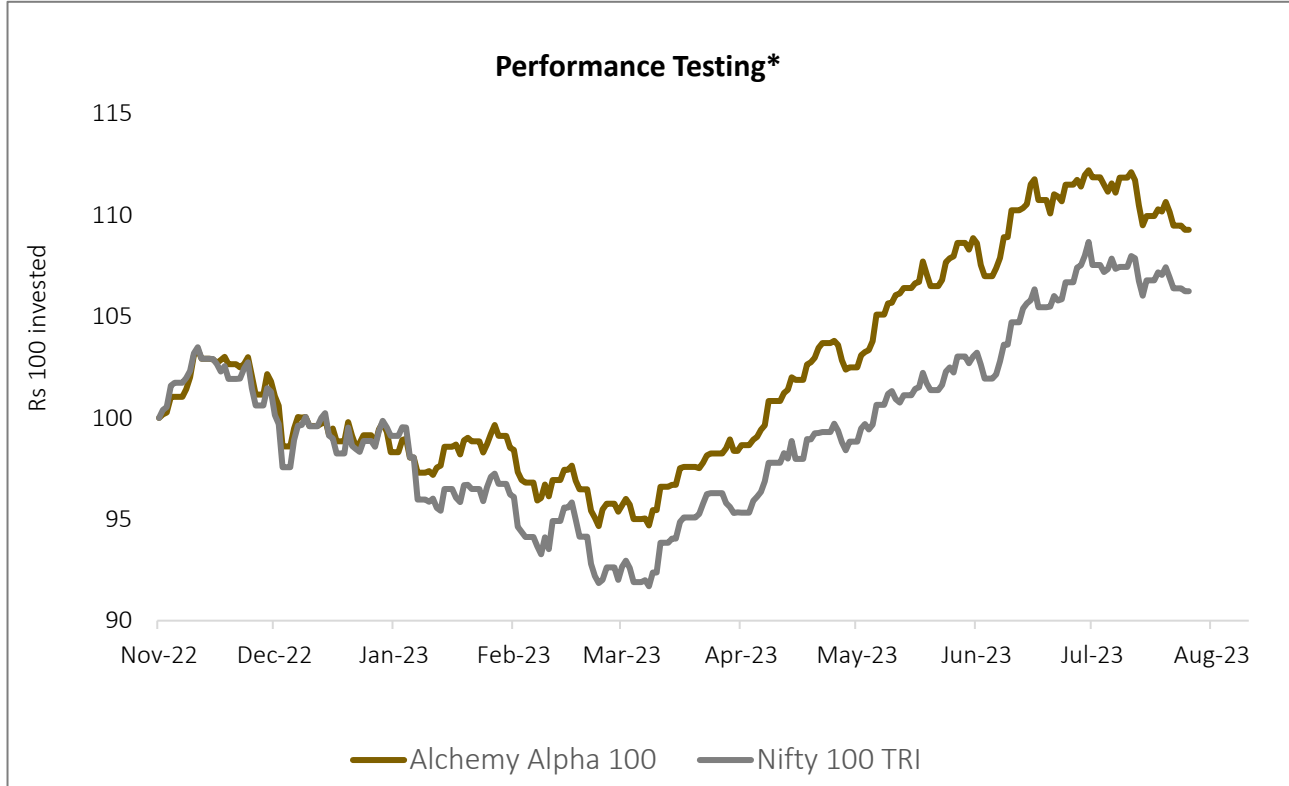
<sup>^</sup> Returns are shown as gross of all fees, expenses(excluding transaction cost) & taxes, if any. Data as of Sep 30, 2022. **Performance related information provided herein is not verified by SEBI**

<sup>^^</sup> Returns are rounded off to the nearest integer

Inception Date: July 03, 2006



# PERFORMANCE TESTING



Period	Alchemy Alpha 100 <sup>^</sup>	Nifty 100 TRI	Alpha
1 Month	1.7%	3.1%	-1.4%
3 Months	11.2%	10.4%	0.8%
6 Months	15.4%	12.5%	2.9%
Since Inception <sup>^^</sup>	12.1%	8.0%	4.1%

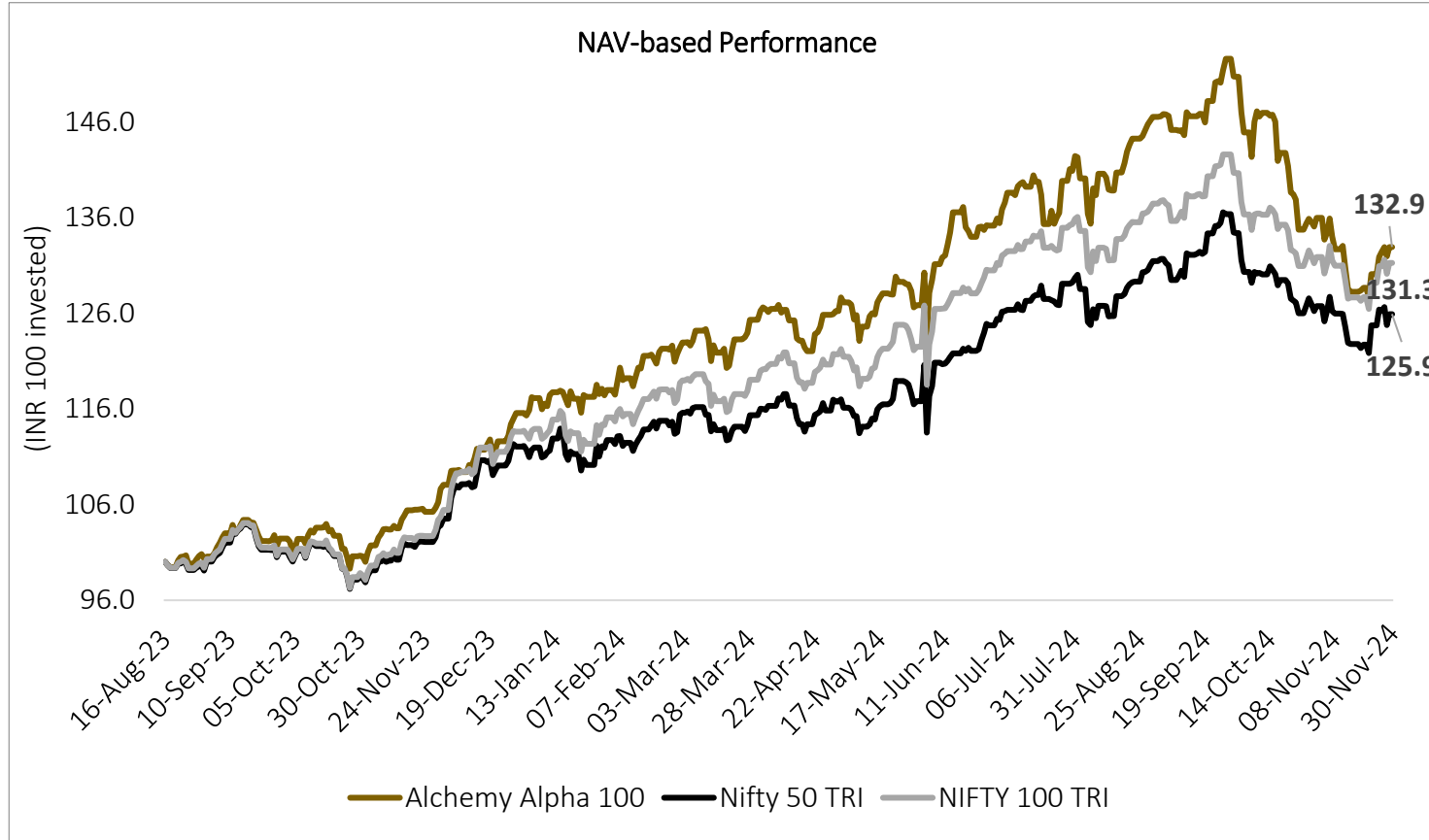
<sup>^</sup> Returns are shown as gross of all fees, expenses(excluding transaction cost) & taxes, if any. Past performance is no assurance of future performance. Data as of July 31, 2023.

**Performance related information provided herein is not verified by SEBI.**

<sup>^^</sup> Inception date: November 21, 2022

\* Strategy being tested on paper trades from 21 November 2022 till 31 July 2023

# LIVE PERFORMANCE



Period	Alchemy Alpha 100 <sup>^</sup>	Nifty 50 TRI	Nifty 100 TRI	Alpha over relevant benchmark <sup>***</sup>
1 Month	-1.6%	-0.3%	0.0%	-1.6%
3 Months	-9.3%	-4.2%	-4.5%	-4.8%
6 Months	4.8%	7.8%	7.2%	-2.4%
1 Year	23.5%	21.3%	25.3%	-1.9%
Since Inception <sup>**</sup>	24.6%	19.5%	23.4%	1.2%

Data as of November 30, 2024

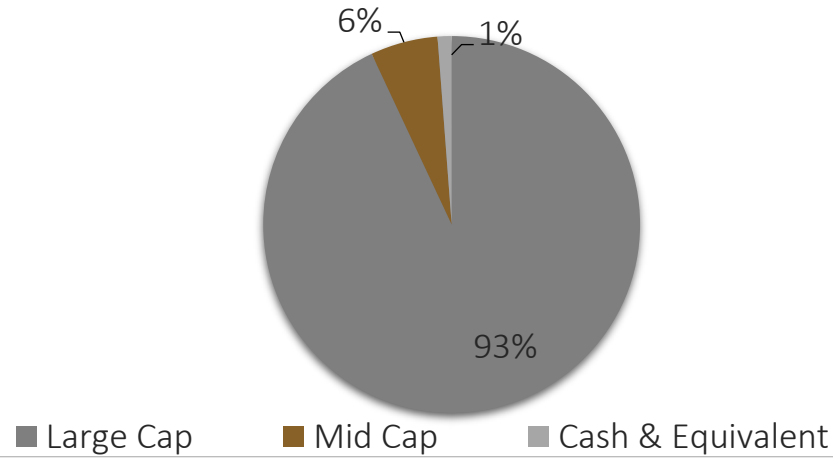
<sup>^</sup>**Performance related information provided herein is not verified by SEBI.** | Returns are net of fees, expenses & taxes (if applicable). | Returns less than 365 days: Absolute, greater than 365 days: CAGR (Computed using TWRR method). | Past Performance is not indicative of future performance. | The above performance figures are aggregate of all discretionary clients; the investor's actual portfolio may differ. | Please follow the given link for viewing Performance relative to other portfolio managers: <https://www.apmiindia.org/apmi/welcomeiaperformance.htm?action=PMSmenu>

<sup>\*\*\*</sup>Nifty 100 TRI is more relevant benchmark for the strategy as the investable universe is top 100 stocks by market capitalisation.

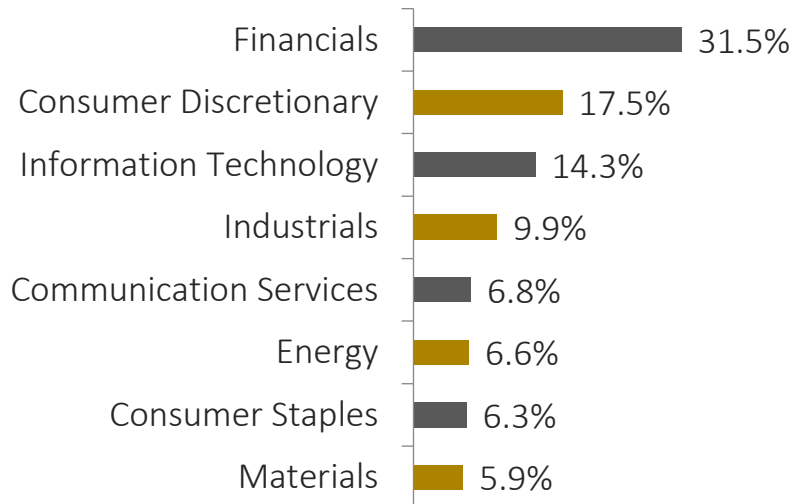
<sup>\*\*</sup> Inception date: August 16, 2023

# PORTFOLIO COMPOSITION

Market Cap Allocation^



GICS Sector Allocation (%) †



Top Holdings

Top 10 Stocks by Weight	% Weight
Shriram Finance Ltd	6.8%
Bharti Airtel Ltd	6.8%
Jio Financial Services Ltd	6.6%
Tech Mahindra Ltd	6.4%
Mahindra & Mahindra Ltd	6.4%
Varun Beverages Ltd	6.3%
ICICI Lombard General Insurance Co Ltd	5.8%
ICICI Bank Ltd	4.8%
Trent Ltd	4.2%
Life Insurance Corporation of India	3.9%

Ratio Analysis

Parameter	Alchemy Alpha 100 (Since Inception)**	Benchmark Nifty 50 TRI (Since Inception)**
Std. Dev.	14.6%	13.1%
Sharpe	1.0	0.8
Beta	0.9	1.0

## PRODUCT HIGHLIGHTS

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- **Objective:** To generate long term risk adjusted returns.
- **Philosophy & Strategy\*\*:** A High-Risk High Return oriented strategy which aims at generating long term consistent alpha by majority investing in large cap companies using objective, back tested and data driven approach based on various parameters such as growth, valuation, quality earning and balance sheet health.
- **Fund Manager:** Alok Agarwal **Co-Fund Manager:** Deven Ved
- **Description of types of securities:** Equity
- **Basis of selection of types of Securities as part of the Product/ Investment Approach:**
- **Equity stocks are chosen for investment on the basis of following factors:**
  1. The company fundamentals, as reflected in reported numbers.
  2. Investment strategy research regarding various market cycles
  3. Risk & Reward ratios
  4. Predominantly large cap focused.
- **Allocation of Portfolio across types of Securities:** Upto 100% in equity (cash portion may be deployed in liquid funds/ debt securities).
- **Benchmark:** Nifty 50 TRI
- **Basis for choice of benchmark:** As per APMI Circular APMI/2022-23/02 dated March 23, 2023.
- **Indicative Tenure or Investment horizon:** 3 to 5 Years
- **Risk associated with Product/Investment approach^^:** High Risk

*\*\*The investment objectives, strategy and allocation are indicative and there are no assurances that it will be achieved. Investors are advised to take independent tax, legal, risk, financial and other professional advice.*

*^^ All product/ investment approach attract various kinds of risks. Please read the relevant Disclosure Document/ Client Agreement carefully before investing.*



STANDING TALL  
ALCHEMY CAPITAL MANAGEMENT

## ALCHEMY CAPITAL MANAGEMENT

Alchemy Capital Management is one of the pioneers in providing bespoke Portfolio Management Services in India. The company is registered with the Securities and Exchange Board of India (SEBI) as a Portfolio Manager and based out of Mumbai.



One of the few Portfolio Managers in India to have been in existence since 2002



Pioneers in bottom-up stock picking skills with a long-term investing approach



With an experienced team of investment professionals at the helm, there is a strong emphasis on Compliance and Risk Management



Managing/advising AUM of USD 1.2 billion\*, we have earned the trust of institutional investors, sovereign funds, ultra HNIs and family offices.

## OUR INVESTMENT PHILOSOPHY

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- We believe that consistent and superior long term absolute returns can be made across market cycles by investing in growth companies with good management teams.
- We like businesses which address large and growing external opportunities, have a competitive advantage in effectively exploiting those opportunities and have a scalable business model with higher-than-average Return on Capital Employed (ROCE) over the investment horizon.
- We believe that management teams are key to business success. We look for managements which have aggression, are aligned to business outcomes while simultaneously having respect for governance and capital allocation.
- While growth companies form the core of our portfolio, we also tactically invest in deep value opportunities and special situations that may appear due to and during market cycles.

# INVESTMENT TEAM



**Hiren Ved**  
 Director & CIO  
 Experience: 30+ Y

## INVESTMENT



**Alok Agarwal**  
 Head - Quant & Fund Manager  
 Experience: 22 Y



**Himani Shah**  
 Co-Fund Manager  
 Experience: 20 Y



**Mythili Balakrishnan**  
 Co-Fund Manager  
 Experience: 22 Y



**Deven Ved**  
 Co-Fund Manager, Quant  
 Experience: 17 Y



**Jagpreet Chhabra**  
 VP – Quant Research Analyst  
 Experience: 22 Y



**Rishabha Doshi**  
 Quant Analyst  
 Experience: 3 Y



**Gayathree T V**  
 Quant Research Analyst  
 Experience: Fresher

## RESEARCH



**Amaresh Mishra**  
 SVP - Research Analyst  
 Experience: 19 Y



**Vimal Gohil**  
 Research Analyst  
 Experience: 13 Y



**Haresh Kapoor**  
 Research Analyst  
 Experience: 12 Y



**Ruchika Bhatia**  
 Research Analyst  
 Experience: 9 Y



**Hrushikesh Shah**  
 Research Analyst  
 Experience: 1 Y



# DISCLAIMER

## General Risk Factors:

- All products / investment approach attract various kinds of risks. Please read the relevant Disclosure Document/ Client Agreement/ Offer Documents (includes Private Placement Memorandum and Contribution Agreement) carefully before investing.

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