

DALIO LAMA – BATH

Keshav Iyer

BSc Physics



"A rising tide lifts all boats."

Aman Nagu

MSc Pure Mathematics



"Numbers don't lie. People do."

Daksh Sargiya

BSc Economics



*"Markets can stay irrational longer than you
can stay solvent."*

Macro Deep-Dive



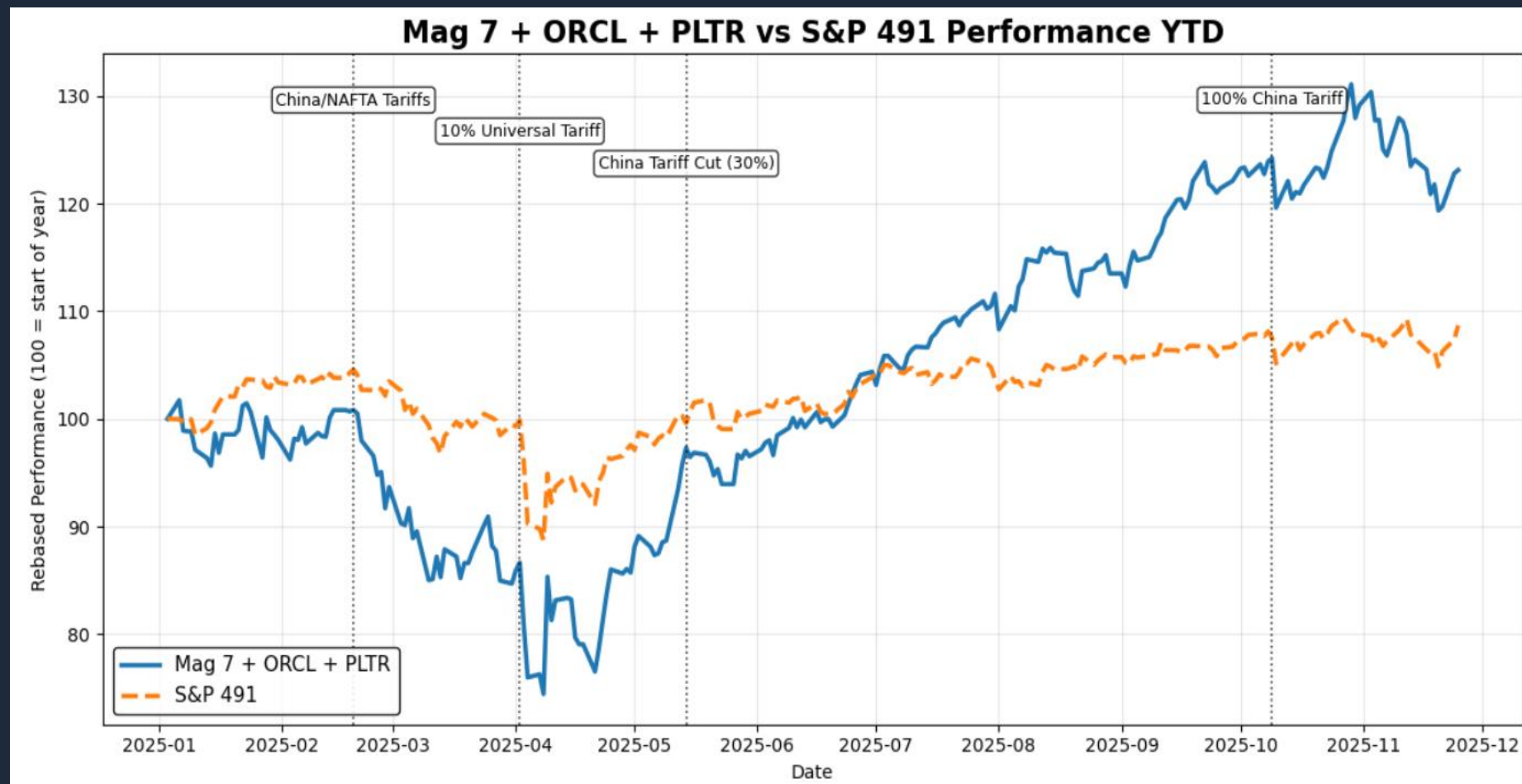
AI Bull Run



Geopolitical Turbulence



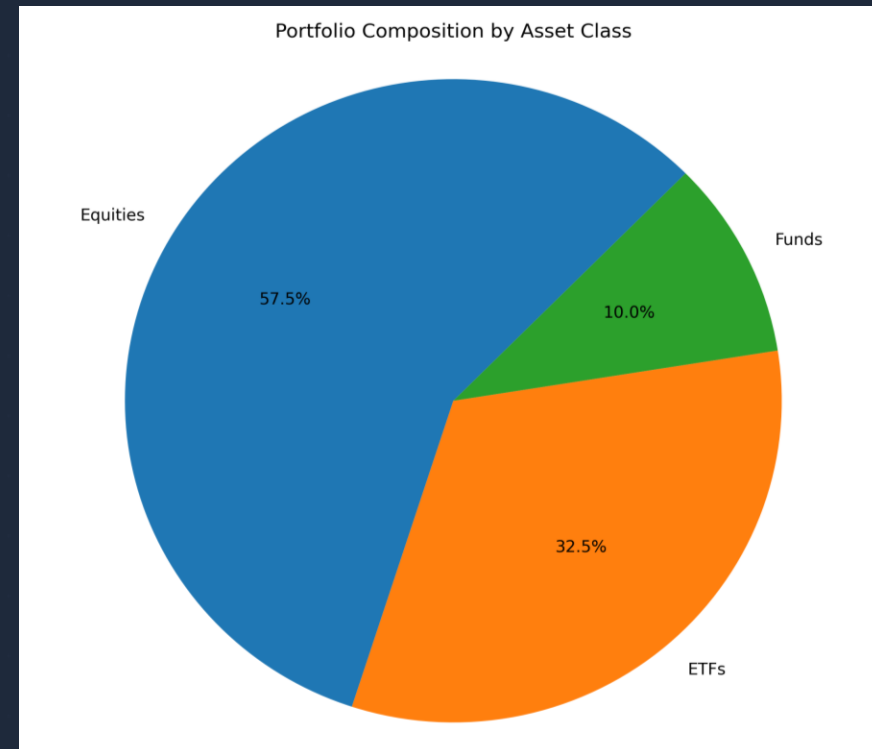
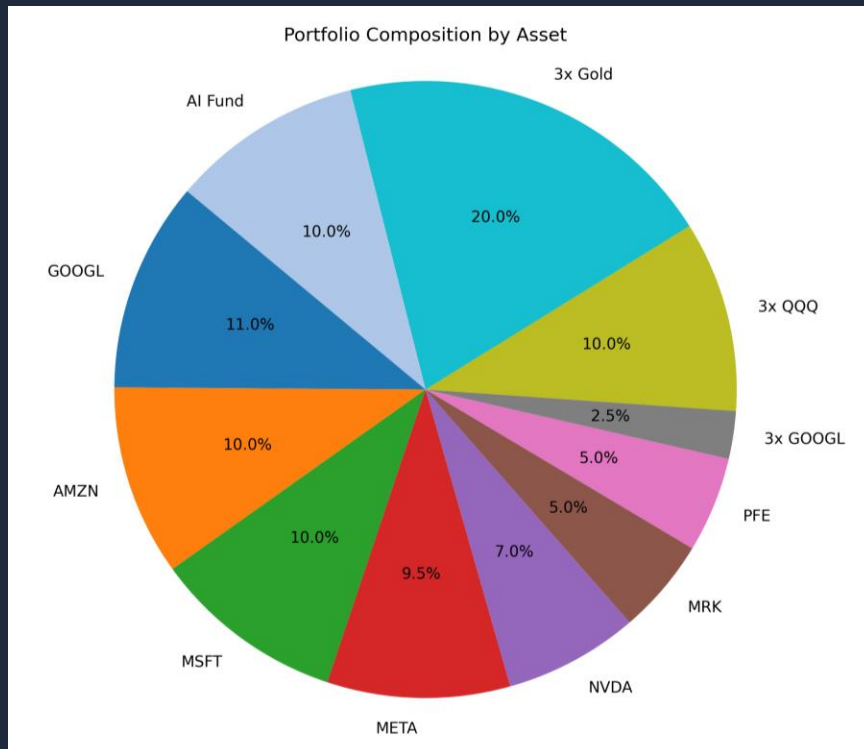
Interest Rate Impact



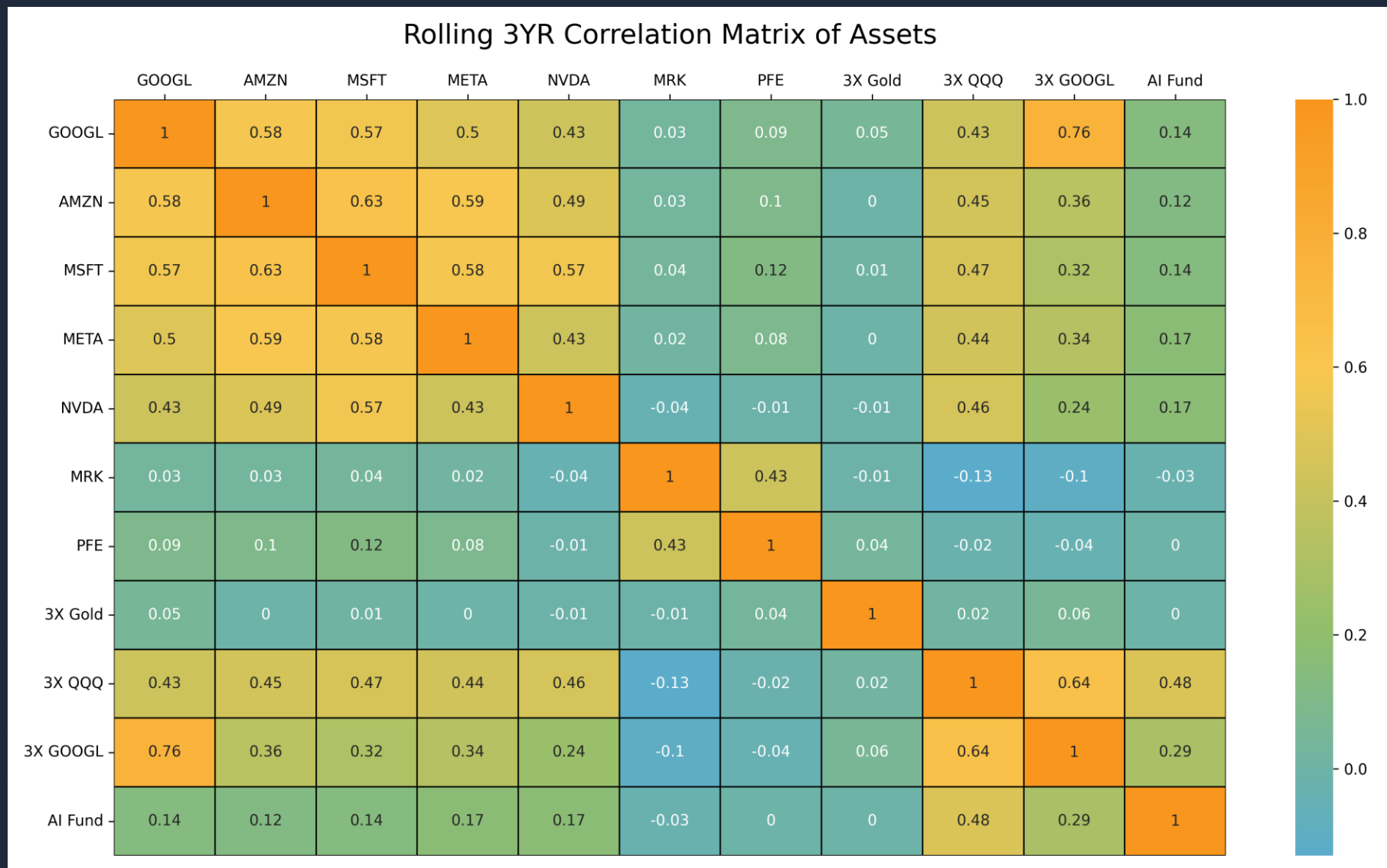
Strategy & Portfolio Composition

Rationale: Limited time-frame, motivates momentum-driven investment strategy.

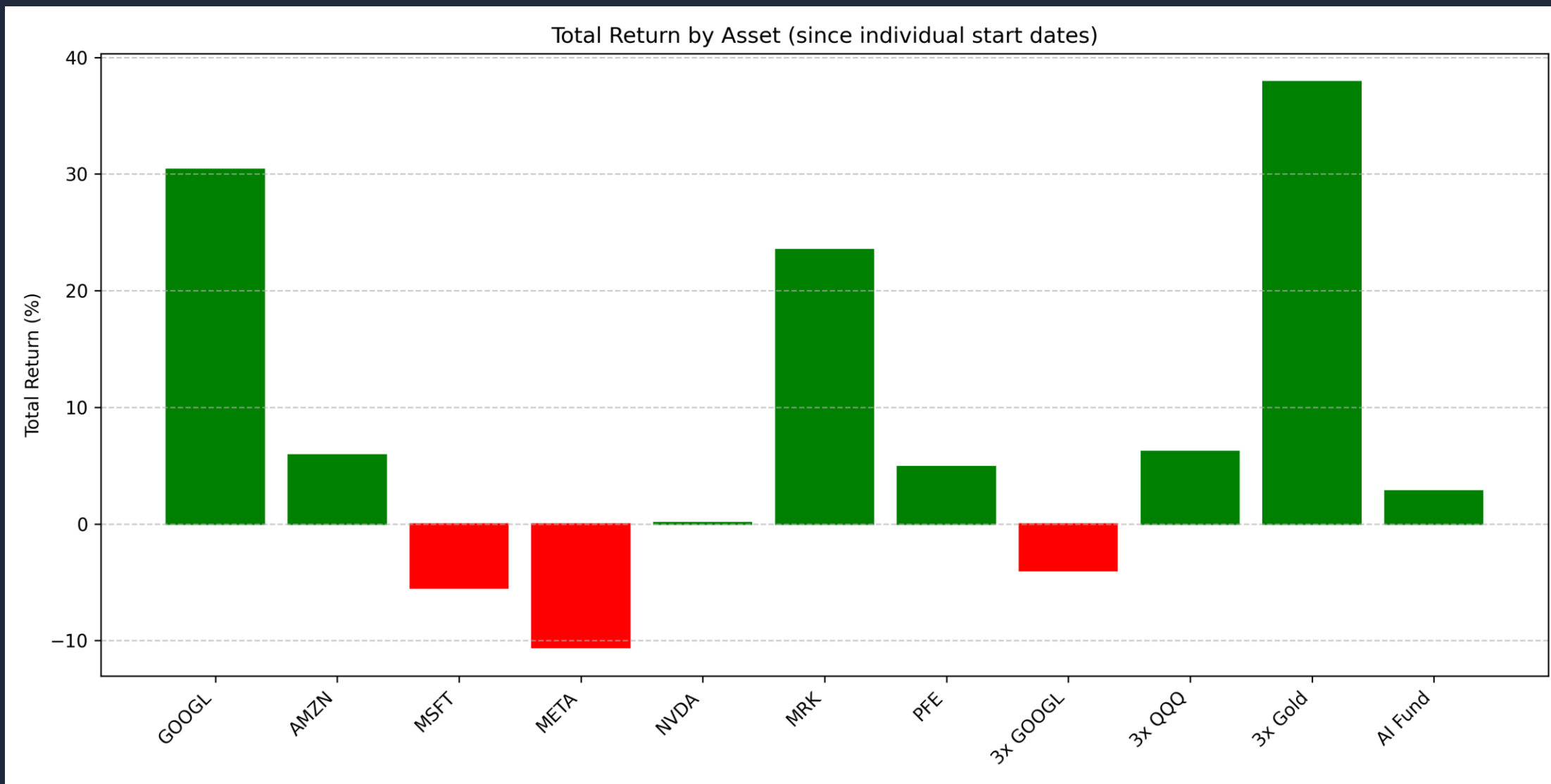
1. Big-Tech and AI related stocks have outperformed.
2. Gold serves as a hedge to macro volatility.
3. Diversification - Cheap Pharma stocks with high dividend yield ($\approx 4.97\%$).



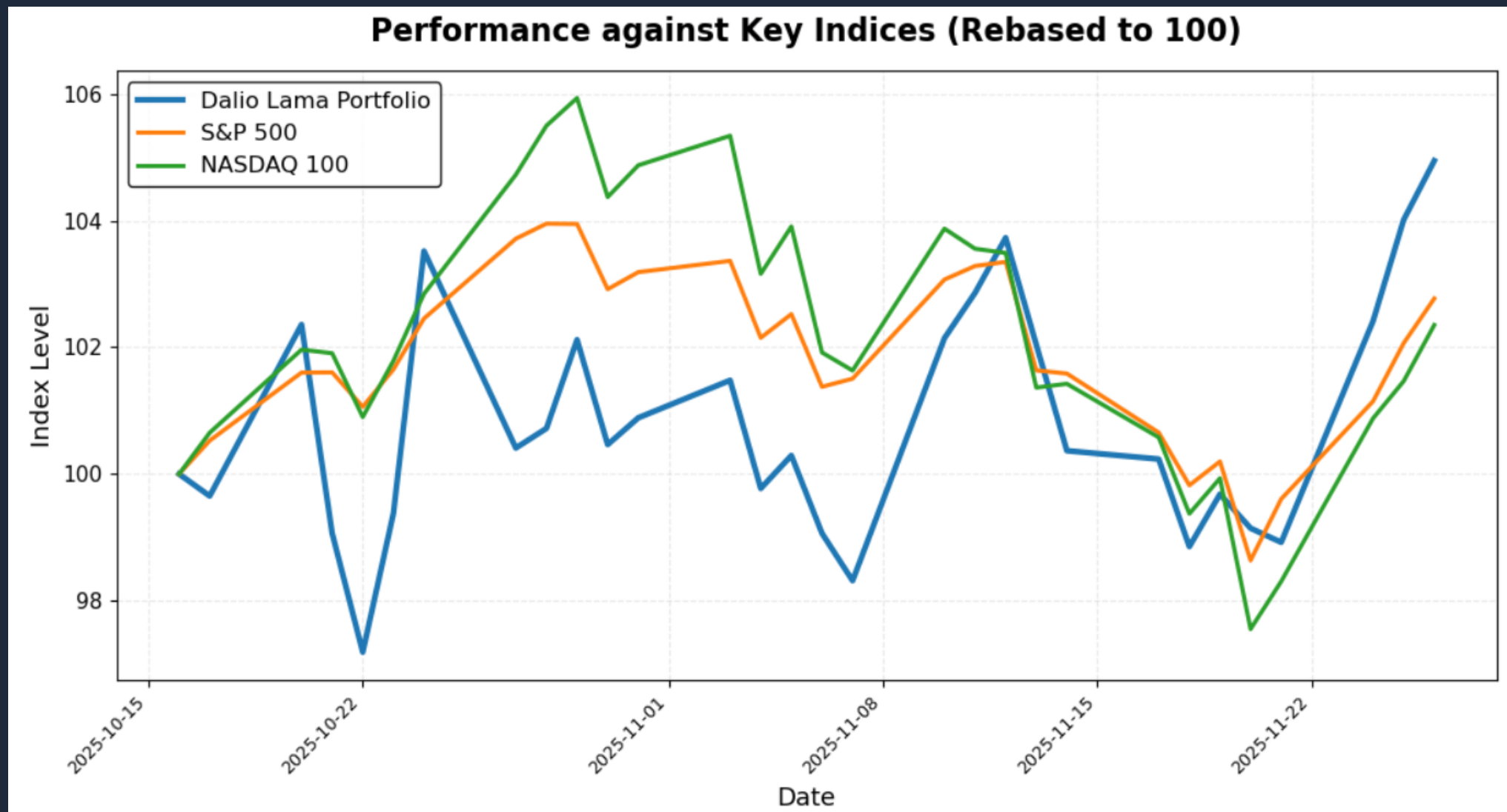
Correlation Matrix of Holdings



Asset-Wise Performance Breakdown



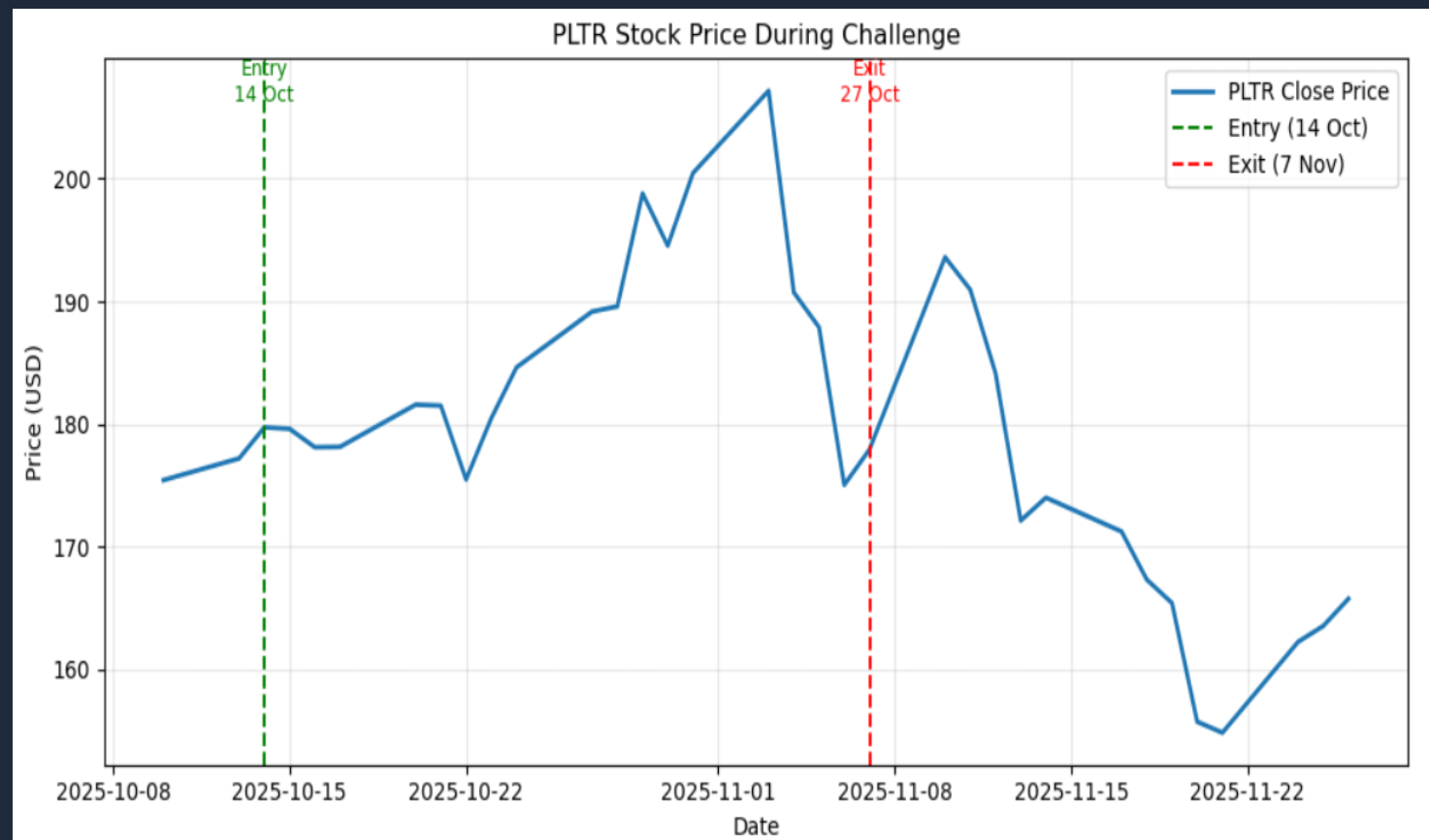
Performance against Indices



What didn't work? The PLTR Short (Lessons Learned)

- Palantir as a bellwether for the broader AI industry.
- Short position coincides with weakness across core holdings – counterintuitive!
- Tested our hypothesis using a multivariate Johansen cointegration test between PLTR, NVDA, and SPY.

Conclusion: Exited our short position on the 27th of October.



Performance Metrics & Risk Assessment

Asset	Trading Days	Total Ret (%)	Ann. Ret (%)	Ann. Vol (%)	Daily SD (%)	Sharpe Ratio	Sortino Ratio	MCTR	PCR (%)
GOOGL	31	30.4	762.6	34.7	2.2	21.9	49.5	21.7	8.9
AMZN	31	5.9	59.4	41.2	2.6	1.3	2.4	24.3	9.1
MSFT	31	-5.5	-36.7	20.5	1.3	-2.0	-2.5	11.9	4.4
META	31	-10.6	-59.7	40.8	2.6	-1.6	-1.8	23.1	8.2
NVDA	31	0.1	1.0	40.3	2.5	-0.1	-0.1	20.1	5.3
MRK	31	23.5	457.2	29.7	1.9	15.3	33.9	1.0	0.2
PFE	31	4.9	47.0	23.9	1.5	1.8	3.0	3.1	0.6
3X Gold	31	-4.0	-28.3	79.0	5.0	-0.4	-0.5	48.0	35.8
3X QQQ	31	6.2	63.3	65.6	4.1	0.9	1.4	43.3	16.1
3X GOOGL	17	37.9	1,261.9	102.0	6.4	12.3	29.1	59.8	5.6
AI Fund	31	2.8	25.3	24.7	1.6	0.9	0.5	15.8	5.9
Portfolio	31	4.9	47.0	26.8	1.7	1.6	1.7	26.8	100.0

- Sharpe: 1.60
- Sortino: 1.73
- PCR Decomposition:
 - Tech + AI: 99.2%
 - Pharma: 0.8%
- Beta: 1.43
- Daily Alpha: 0.056%
- Annualised Alpha: 15.06%
- Benchmark: S&P 500

Future Outlook

Bullish Outlook

Fed QE and rate cuts to boost liquidity and fuel equity rallies by 2026 + AI-led earnings boom

Bearish Outlook

AI bubble bursts causing 20-35% market decline with a prolonged downturn lasting over 18 months

Strategic Investment Approach

Asset Liquidation at ATH: Reduce exposure to Technology and AI industry.

Portfolio Rotation: Pivot towards cash-equivalents, dividend-yielding stocks, consumer staples.

Global Market Diversification: Reduce U.S. concentration, move towards EMs.