



Pramerica

# Managed Account Services

Monthly Factsheet - September 2014

Dear Investor,

It has been just over a year in which we started offering our Managed Account Services. It is as good a time as any to reiterate what we are trying to do, and more specifically, what you can expect, and not expect from Pramerica's Managed Account Services.

#### What we do not attempt to do

- We do not attempt to give the highest possible performance. We believe that investment performance is a by-product of a good investment process. If we are faithful to a logical investment process, we believe that the returns will be reasonable.
- We do not attempt to "beat" other investment products in the market place. We are conscious of the fact that our PMAS is **complementary** to, and does not compete with, other investment products. You would probably have observed that the overlap between our portfolio and the popular stock market indices is less than 10%.
- We do not attempt to buy all shares that go up, or show a promise of going up. If a company does not meet our criteria, we will not buy it - at any price.
- We are not venture capital investors, and therefore will not buy any company with a new technology, however promising it may seem. Our attempt is clearly not to identify the next Google, the next Apple, or the next Facebook. **ALL OUR PORTFOLIO COMPANIES ARE OLD COMPANIES WITH A LONG TRACK RECORD.**

#### What we attempt to do

- We believe that the capital market ultimately rewards companies that use their capital well (isn't that what the capital market is supposed to do?) - we therefore attempt to buy only companies that have a track record of high return on capital and positive free cash flow generation.
- We look for a history of the fair treatment of minority shareholders.
- We would like to buy such businesses when they are not the "flavour of the month". If their current valuations are much higher than their historical average valuations, or much higher than their sustainable growth rate in earnings, we will not buy into them.

You would have observed, dear Investor, that when we buy a share of a company which we do not understand much, a fall in its share price causes consternation, even panic. But when we buy a share of a company with a strong balance sheet, good track record, reasonably good prospects, and when we are confident that we have not paid an extravagantly high price for its shares, a fall in the share price does not cause panic.

Quite simply, our portfolio's primary aim is to increase the peace of mind of the client. The secondary aim is to generate a decent return. In this endeavour, mistakes may occur occasionally. Hopefully there are only few of them.

## KEY PORTFOLIO PERFORMANCE INDICATORS

### Month on Month Performance

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13*	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Pramerica Deep Value Strategy	-	-	-	-	-	-	0.64%	-1.38%	4.81%	5.13%	3.43%	3.92%
NIFTY	-	-	-	-	-	-	-0.50%	-4.71%	4.82%	9.83%	-1.95%	2.07%
Out/Under Performance	-	-	-	-	-	-	1.14%	3.33%	-0.01%	-4.70%	5.38%	1.85%

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Pramerica Deep Value Strategy	-2.57%	5.26%	14.26%	1.77%	12.76%	10.75%	-0.40%	3.43%	-	-	-	-
NIFTY	-3.40%	3.08%	6.81%	-0.12%	7.97%	5.28%	1.44%	3.02%	-	-	-	-
Out /Under Performance	0.83%	2.18%	7.45%	1.89%	4.79%	5.47%	-1.84%	0.41%	-	-	-	-

\* Returns for the period 3rd July 2013 to 31st July 2013  
Monthly Returns before charging expenses

### Pramerica Deep Value Strategy Portfolio Performance as on 28th August 2014

Period	Portfolio	NIFTY	CNX500	CNXMIDCAP
1 Month	3.76 %	2.65 %	2.59 %	3.35 %
3 Months	15.21 %	8.52 %	8.52 %	8.87 %
6 Months	49.64 %	26.72 %	31.16 %	42.39 %
1 Year	84.44 %	50.51 %	57.14 %	72.14 %
Since inception (03/07/2013)	66.67 %	30.32 %	33.82 %	41.08 %
Portfolio Turnover Ratio	3.34%			

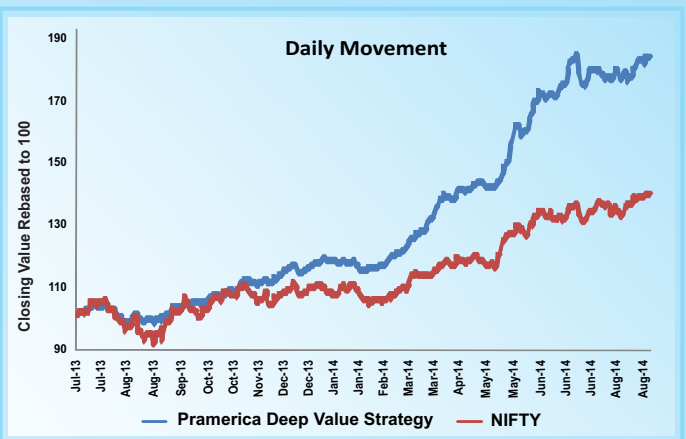
### 3 Month Absolute Returns

Period	From	To	Strategy Return	Nifty Return
Lowest Returns of Pramerica Deep Value Strategy	15-Jul-13	15-Oct-13	2.00%	0.97%
Lowest Returns of NIFTY	4-Nov-13	4-Feb-14	3.56%	-5.01%
Highest Returns of Pramerica Deep Value Strategy	9-Mar-14	9-Jun-14	36.61%	17.28%
Highest Returns of NIFTY	23-Feb-14	23-May-14	34.49%	19.68%

### Portfolio Characteristics

Characteristics	Portfolio	NIFTY
Average Daily Return	0.14%	0.08%
Daily Volatility	0.58%	0.86%
Beta	0.43	

Portfolio characteristics provided above are based on all the clients' portfolios under the regular portfolio of the strategy for the period from July 03, 2013 to August 28, 2014 for the purpose of understanding the volatility of the portfolio vis a vis the index.



**Important Disclosures regarding the consolidated portfolio performance:** Performance depicted above is based on all the client portfolios under Regular Portfolio of Pramerica Deep Value Strategy existing as on such date, using time weighted average methodology. Past performance is no guarantee of future returns. The above portfolio performances are before charging of any expenses. Please note that the actual performance for a client portfolio may vary due to factors such as expenses charged, timing of additional flows and redemption, individual client mandate, specific portfolio construction characteristics or other structural parameters. These factors may have impact on client portfolio performance and hence may vary significantly from the performance data depicted above. Neither the Portfolio Manager, nor its directors or employees shall in any way be liable for any variation noticed in the returns of individual client portfolios. The Portfolio Manager does not make any representation that any investor will or is likely to achieve profits or losses similar to those depicted above. Return for period upto 1 year is absolute. Since inception date stated is considered to be the date on which the first client investment was made under the strategy.

**Investment objective of Pramerica Deep Value Strategy:** Pramerica Deep Value Strategy seeks to generate returns by investing in a portfolio of value stocks which have the potential of superior wealth creation over long term.

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