

PORTFOLIO MANAGEMENT SERVICES

Newsletter March 2016



Pramerica

Dear Investor,

The event of the week was the Annual Budget presented on February 29th. Although it is only one of the important policy statements made by the Government, it is significant because it indicates the government's thinking on which segments of the economy needs more attention and more assistance.

The overall theme has been one of improving the lot for rural India. Steps to improve soil fertility, micro irrigation, investment in rural housing, improving rural connectivity by building rural roads, increased thrust on rural electrification, relaxing the APMC rules for improved procurement, setting up cold storage and warehousing facilities, and improved outlays for crop insurance schemes all point out to significantly higher outlays for agriculture and rural development. The government has set itself an ambitious target of doubling farm incomes in 5 years, and that works out to about 15% rate of growth per annum.

There is a massively increased outlay for infrastructure like roads, rail and power sectors, and these steps are expected to have a multiplier effect on the economy.

In continuation of the thrust on infrastructure building, the Railway Budget presented earlier, placed emphasis on improving passenger amenities, and reducing the imbalance between rail and road in freight transportation.

What is encouraging is that these steps have been taken without diluting the fiscal position, and the fiscal deficit target for FY 2017 has been retained at 3.5% of GDP.

As we said, the Budget is an important indicator of the Government's priorities, and this points towards a thrust on infrastructure building and rural development.

However, what ultimately drives the stock market are (a) competitive strengths of the individual companies, (b) corporate profitability (sustainable rates of earnings growth) and (c) the valuations of individual stocks. As investors, we should not lose sight of these indicators.

We are also very happy to inform you that as of the close of business hours on March 4, 2016, the funds of DHFL Pramerica Asset Managers would officially integrate with the erstwhile Deutsche Asset Management Co, making the AMC 13th largest in terms of Mutual Fund AUM. We look forward to your continued support and encouragement.

KEY PORTFOLIO PERFORMANCE INDICATORS

Quarter on Quarter Performance

	Jul '13- Sep '13*	Oct '13- Dec '13	Jan'14- Mar '14	Apr'14- Jun '14	Jul'14- Sep '14	Oct '14- Dec'14	Jan'15- Mar'15	Apr'15- Jun'15	Jul'15 - Sep '15	Oct'15- Dec'15
PDVS	2.38%	13.20%	16.77%	26.92%	7.12%	4.82%	1.67%	0.15%	-0.80%	3.16%
Nifty 50	-1.31%	9.92%	6.35%	13.53%	4.64%	3.99%	2.51%	-1.44%	-5.01%	-0.03%
Nifty 500	-2.43%	11.90%	6.31%	18.17%	3.91%	5.58%	3.02%	-1.16%	-3.64%	1.18%
Over/(Under) Performance to Nifty 50	3.69%	3.28%	10.42%	13.39%	2.48%	0.83%	-0.84%	1.59%	4.21%	3.19%
Over/(Under) Performance to Nifty 500	4.81%	1.30%	10.46%	8.75%	3.21%	-0.76%	-1.35%	1.31%	2.84%	1.98%

* Return for the period 8th July 2013 to 30th September 2013.

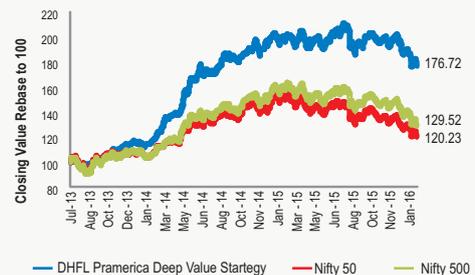
Returns calculated for 3 months gross of expenses.

Returns are Quarterly returns for DHFL Pramerica Deep Value Strategy - Discretionary Clients Regular Portfolio.

Top 15 Holdings of DHFL Pramerica Deep Value Strategy Discretionary Portfolio Regular Plan as on February 29, 2016

Security	Sector	% Assets
Indraprastha Gas Ltd.	City Gas Distribution	7.85%
Container Corporation of India Ltd.	Logistics	6.16%
Infosys Ltd.	Computers - Software	5.47%
Colgate-Palmolive (I) Ltd.	FMCG	5.08%
Bosch Ltd.	Auto Ancillaries	4.98%
Hero Motocorp. Ltd.	Motor Cycles/Scooters	4.52%
State Bank of India	Banking / Financial Services	4.33%
Siemens Ltd.	Engineering	4.33%
ITC Ltd.	FMCG	4.23%
CRISIL Ltd.	Credit Rating	4.18%
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	4.09%
HDFC Bank Ltd.	Banking / Financial Services	4.07%
Oil & Natural Gas Corporation Ltd.	Oil Exploration	4.02%
VST Tillers Tractors Ltd.	Agricultural Equipment	3.87%
Tata Motors Ltd. DVR	Automobiles	3.21%
Total		70.39%

Performance Comparison



Portfolio Details

Portfolio Details as on February 29, 2016

Weighted average RoCE	38.20%
Portfolio PE (1-year forward)	15.36
Portfolio dividend yield	1.80%
Average age of companies	55 Years

Portfolio Composition as on February 29, 2016

Large Cap	41.00%
Mid Cap	34.50%
Small Cap	16.50%
Cash	8.00%

The above holding represents top 15 holdings of DHFL Pramerica Deep Value Strategy – Regular Portfolio based on all client portfolios existing as on the date stated above, excluding any temporary cash investments. The above holdings do not represent the model portfolio being offered to the clients (including prospective clients) and hence it is possible that these stocks may not be part of the portfolios constructed for new clients. The above holdings are for illustration purpose only and it should not be considered as investment recommendation or analysis or advice or opinion from the Portfolio Manager on the above mentioned stocks. The above portfolio holdings are provided on an "as is" basis, and the Portfolio Manager makes no express or implied warranties or representations with respect to the accuracy, completeness, reliability, or fitness of the above portfolio holdings or any financial results you may achieve from their use. In no event shall the Portfolio Manager, its directors or employees or its affiliates have any liability relating to the use of the portfolio holdings.

DHFL Pramerica Deep Value Strategy Portfolio Performance as on 29th February, 2016

Period	Portfolio	NIFTY 50	NIFTY 500
1 Month	-6.94%	-7.62%	-8.04%
3 Months	-11.36%	-11.95%	-12.80%
6 Months	-9.69%	-12.35%	-12.59%
1 Year	-11.08%	-21.51%	-19.47%
2 Years	22.17%	5.50%	9.64%
Since inception date 08/07/2013	24.07%	6.81%	9.94%
Portfolio Turnover Ratio*	45.58%		

*Portfolio Turnover ratio for the period 8th July 2013 to 29th February 2016

Important Disclosures regarding the consolidated portfolio performance: Performance depicted above is based on all the client portfolios under Regular Portfolio of DHFL Pramerica Deep Value Strategy existing as on such date, using Time Weighted Rate of Return (TWRR). 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 DHFL Pramerica Deep Value Strategy: DHFL 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.

Disclaimers and risk factors: DHFL Pramerica Asset Managers Private Limited (Erstwhile Pramerica Asset Managers Private Limited) is registered with SEBI as Portfolio Manager as Portfolio Manager under SEBI (Portfolio Managers) Regulations, 1993. This Document is for information purpose only. This Document and the Information do not constitute a distribution, an endorsement, an investment advice, an offer to buy or sell or the solicitation of an offer to buy or sell any securities/ schemes or any other financial products/investment products (collectively "Products") mentioned in this Document or an attempt to influence the opinion or behavior of the Investors/Recipients. Any use of the information contained herein for investment related decisions by the Investors/ Recipients is at their sole discretion & risk. Please read the Disclosure Document and the agreement along with the related documents carefully before investing. Investments in Products are subject to market risks, various micro and macro factors and forces affecting the capital markets and include price fluctuation risks. There is no assurance or guarantee/warranty that the objectives of any of the Products will be achieved. The investments may not be suited to all categories of Investors/ Recipients. Investors/ Recipients must make their own investment decisions based on their own specific investment objectives, their financial position and using such independent professional advisors, as they believe necessary, before investing in such Products. Pramerica and Pramerica Financial are trade names used by Prudential Financial, Inc., (PFI) a company incorporated and with its principal place of business in the United States, and by its affiliated companies in select countries outside the United States. None of these companies are affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom. Pramerica, the Pramerica logo, and the Rock symbol are service marks of PFI and its related entities, registered in many jurisdictions worldwide.

This document is strictly confidential and meant for private & restricted circulation only and should not at any point of time be construed to be an invitation for subscribing to DHFL Pramerica Deep Value Strategy. The document is solely for the understanding of intended recipient and if you are not the intended recipient, you are hereby notified that any use, distribution, reproduction or any action taken or omitted to be taken in reliance upon the same is prohibited and may be unlawful.

This document is dated March 09, 2016.