



PPFAS Long Term Value Fund (An Open Ended Equity Scheme)

A scheme designed for genuine
Long Term Investors!

Investment Objective of the Scheme	The investment objective of the Scheme is to seek to generate long-term capital growth from an actively managed portfolio primarily of equity and Equity Related Securities. Scheme shall invest in Indian equities, foreign equities and related instruments and debt securities.		
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Risk Category of the scheme		BROWN - HIGH RISK	
Blue colour refers that principal investment will be at low risk	Yellow Colour refers that principal investment will be at medium risk	Brown Colour refers that principal investment will be at high risk	

Investors should consult their financial advisers if in doubt about whether this scheme is suitable for them.

PPFAS 

There's only one right way®

MUTUAL FUND

SPONSOR: **PARAG PARIKH FINANCIAL ADVISORY SERVICES LIMITED**



About the fund:

PPFAS Long Term Value Fund (PLTVF) is an open ended equity oriented scheme with flexibility to invest a minimum of 65% in Indian equities and up to 35% in overseas equity securities and domestic debt / money market securities.

The core portfolio of PLTVF consists of equity investments made with a long term outlook and the factors considered while investing are quality of management, quality of the sector and the business (return on capital, entry barriers, capital intensity, use of debt, growth prospects etc) and the valuation of the companies. The endeavor of the fund management team is to identify opportunities for long term investments. However there are times when the opportunities are not attractive enough. While waiting for attractive opportunities, the fund invests in arbitrage opportunities between the cash and futures equity markets and special situations arbitrage where open offers / delisting / merger events have been announced. Investments are also made in money market / debt securities while waiting for deployment in core equity investments.

Foreign equity investments

Since investors in PLTVF invest in Indian rupees and seek rupee-based returns, the scheme too aims at delivering returns in rupees. Toward that end, it hedges most of its foreign currency exposure using exchange-traded currency futures.

Current StrategyEconomic outlook

PLTVF invests with an investment horizon of a minimum of 5 years. Since over the long term, the economic variables like interest rates, liquidity, GDP growth rate etc. can have a lot of fluctuations and in most cases see mean reversion, PLTVF focuses on company fundamentals more than macro economic variables. PLTVF does not seek to time the markets or to make top down investment strategies based on macro economic forecasts.

Corporate sector performance, valuations and current strategy

We have seen a 18% bounce from the lows that we saw towards the latter part of August. A lot of optimism is built around the delayed 'taper' of the liquidity pumping by the US Federal Reserve combined with the domestic optimism that we will in a few months time get some clarity on the political front in India.

Corporate results for the quarter ended September 30, 2013 have also reasonable assisted by strong performance of export related sectors especially Information Technology companies. Indian consumption relation sectors like Fast Moving Consumer Good companies have also had a reasonable performance. On the other hand sectors like capital goods and cement continue to see headwinds.

In our view such fluctuations will continue to happen in the course of investing and not much should be seen into them. We are not trying to predict the fortunes of different sectors over the coming quarters. We continue to identify companies on a bottom up basis where we feel that the current valuations do not capture the long term business prospects and the cash flow potential of the company.

Name of the Scheme	PPFAS Long Term Value Fund
Investment Objective	To seek to generate long-term capital growth from an actively managed portfolio primarily of equity and equity related securities.
Type of the Scheme	An Open Ended Equity Scheme
Inception Date	May 28, 2013
Name of the Fund Managers	Mr. Rajeev Thakkar - Equity Fund Manager (Overall 10 years of experience in fund management) Mr. Vishal Shah - Debt Fund Manager (Since Inception) Mr. Raunak Onkar - Fund Manager for Overseas Securities (Since Inception)
Assets Under Management (AUM) as on Feb 28, 2014	₹ 332.37 Crores
Net Asset Value (NAV) Feb 28, 2014	Regular Plan: 11.2116 Direct Plan: 11.2518
Exit Load	NIL
Expense Ratio	Regular Plan : 2.50% Direct Plan : 2.00% <i>(Excluding Service Tax)</i>
Benchmark Indices	CNX 500
Minimum Application Amount	New Purchase: ₹ 1,000 Additional Purchase: ₹ 1,000 Monthly SIP: ₹ 1,000 Quarterly SIP: ₹ 5,000

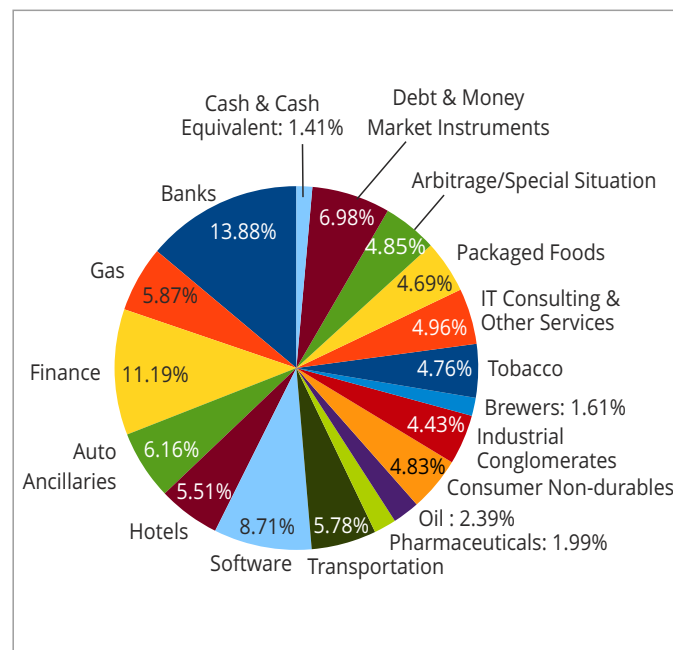
Portfolio Disclosure

Core Equity		
Name	Sector	% of Net Assets
ICRA	Finance	7.08%
Maharashtra Scooters Ltd	Auto Ancillaries	6.16%
Axis Bank	Banks	5.87%
Noida Toll Bridge Co Ltd	Transportation	5.78%
Mahindra Holidays & Resorts India Ltd	Hotels	5.51%
Zydus Wellness	Consumer non-durables	4.83%
The Jammu and Kashmir Bank	Banks	4.67%
Polaris Financial Technology Ltd	Software	4.47%
Mphasis Ltd	Software	4.24%
IL&FS Investment Managers Ltd	Finance	4.11%
Gujarat Gas Company Ltd	Gas	3.18%
Indraprastha Gas Ltd	Gas	2.69%
Selan Exploration Technology Ltd	Oil	2.39%
Wyeth Ltd	Pharmaceuticals	1.07%
Novartis Ltd	Pharmaceuticals	0.92%
Arbitrage/Special Situation		
Glaxosmithline Pharma Ltd		3.80%
Yes Bank Ltd*		1.05%
Total		67.82%
Overseas Securities, IDRs and ADRs		
International Business Machines Corp #	IT Consulting & Other Services	4.96%
British American Tobacco ADR #	Tobacco	4.76%
Nestle SA ADR #	Packaged Foods	4.69%
3M CO #	Industrial Conglomerates	4.43%
Standard Chartered PLC IDR	Banks	3.34%
Anheuser Busch Inbev SA ADR #	Brewers	1.61%
Total		23.79%
Debt and Money Market Instruments		
CBLO		5.48%
FDR		1.50%
INVESTED TOTAL		98.59%
Cash & Cash Equivalent		1.41%
Net Assets		100.00%

* Hedged by offsetting Derivative position

Currency hedge to the extent of approximately 90% of exposure.

Sector Allocation



Quantitative Indicators

Beta	1.02
Standard Deviation	5.84%
Sharpe Ratio	0.5670

The above figures are not annualised.

Risk free rate assumed to be 9.0725% (91Day T-Bill rate as on 28th February 2014).

Performance of the Scheme

NAV as on February 28, 2014 - **Direct** : 11.2518, **Regular** : 11.2116

Particulars	Since Inception			
	Returns (%)		Current Value of Investment Of ₹ 10,000	
	Direct	Regular	Direct	Regular
Scheme	12.52	12.12	11,251.8	11,211.6
CNX 500	1.96	1.96	10,195.7	10,195.7

Greater than one year returns are compounded Annualised Returns.

* Past performance may or may not be sustained in future.

We have our skin in the game

The combined **holding of 'Insiders'** in PPFAS Long Term Value Fund amounts to **8.48%** of the AUM as at February 28, 2014. For more details please visit the [scheme section of our website](#).

Investment Process

Identifying Investments

- Review public filings
- Periodic quantitative screens
- Tracking known businesses & industries
- Peer review of businesses

Fundamental Research

- Industry Analysis
- Competitive Analysis of business v/s Peers
- Review historical financial & operational data
- Qualitative evaluation of business & management

Valuation Study

- Historical normal valuation
- Peer comparison
- Internal estimates & range of intrinsic value

Portfolio Construction

- Buy / Sell Discipline: Opportunistic
- Security Risk Control: Not more than 10% of portfolio in a single security (as per SEBI Guidelines)
- Follow portfolio guidelines

Portfolio Guidelines

Sr	Parameter	Guideline
1	Ideal Market Cap	Any Market Cap
2	Max Cash in Portfolio	Opportunistic retention or use of Cash (upto 35%)
3	Max International Limit	35% of overall portfolio
4	Max Single Position Size	10% (as per SEBI Guidelines)
5	No of Companies held	20-25 (in exceptional cases 25+)
6	Benchmark	CNX500
7	Our Performance Focus	Focus on absolute returns as well as beating the benchmark over the long term

If you would like to invest visit here.

www.amc.ppfas.com

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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