

**THIS SCHEME
IS SUITABLE FOR
INVESTORS WHO HAVE
INVESTMENT HORIZON
OF MINIMUM
5 YEARS.**

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

The fund invests in foreign equity securities. Since investors in PLTVF look for capital investment and returns in Rupee terms, PLTVF also looks at delivering in Rupee terms. PLTVF hedges most of the currency exposure using currency futures.

Current Strategy**Economic 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 33% bounce in CNX 500 from the lows that we saw towards the latter part of August.

After having come to terms with the reality of Fed taper, today a lot of expectation is built on opinion polls predicting close to clear majority and a stable coalition for the next five years.

A lot of quality names, especially in the FMCG and IT space were already trading at premium valuations. The recent run up has been in cyclicals and market participants are overlooking a lot of near term concerns.

It may be pertinent to ask questions like, "How will a change in the government at the centre help the PSU banks who are facing asset quality issues?"

In case of a strong bull run in India, especially in dubious cyclicals, we would underperform the market for some time. This is because a portion of our investments is in overseas stocks and those stock may not benefit from Indian elections rally.

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 and companies based on election outcomes. Indeed in the last two general elections, the market timers were taken to the cleaners.

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 April 30, 2014	₹ 384.46 Crores
Net Asset Value (NAV) April 30, 2014	Regular Plan: 12.3033 Direct Plan: 12.3584
Exit Load	NIL
Expense Ratio	Regular Plan : 2.50%* Direct Plan : 2.00%*
Benchmark Indices	CNX 500
Minimum Application Amount	New Purchase: ₹ 1,000 Additional Purchase: ₹ 1,000 Monthly SIP: ₹ 1,000 Quarterly SIP: ₹ 5,000

* Excluding Service Tax and other allowable expenses

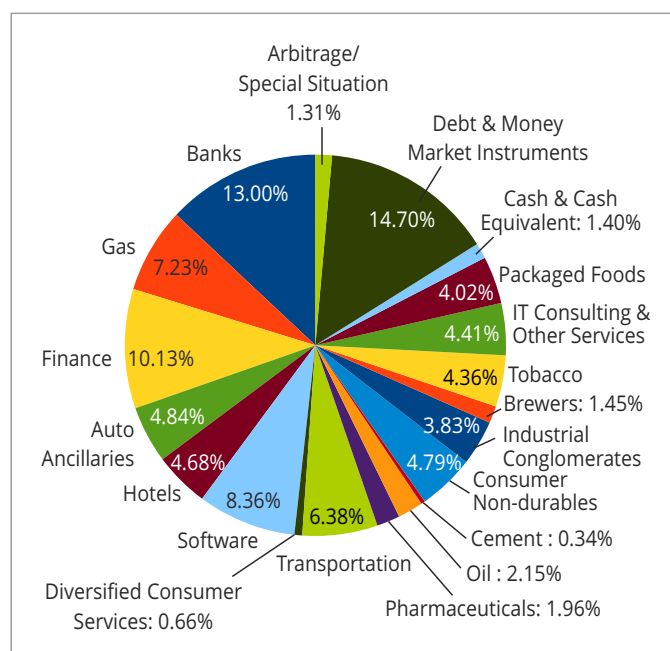
Portfolio Disclosure

Core Equity		
Name	Sector	% of Net Assets
Noida Toll Bridge Co Ltd	Transportation	6.38%
ICRA	Finance	6.11%
Axis Bank	Banks	6.08%
The Jammu and Kashmir Bank	Banks	5.08%
Maharashtra Scooters Ltd	Auto Ancillaries	4.84%
Zydus Wellness	Consumer Non-durables	4.79%
Mahindra Holidays & Resorts India Ltd	Hotels	4.68%
Gujarat Gas Co Ltd	Gas	4.59%
Polaris Financial Technology Ltd	Software	4.46%
IL&FS Investment Managers	Finance	4.02%
Mphasis Ltd	Software	3.90%
Indraprastha Gas Ltd	Gas	2.64%
Selan Exploration Technology Ltd	Oil	2.15%
Wyeth Ltd	Pharmaceuticals	1.06%
Novartis Ltd	Pharmaceuticals	0.90%
MT Educare Ltd	Diversified Consumer Services	0.66%
The Ramco Cements	Cement	0.34%
Arbitrage/Special Situation		
HDFC Bank*		1.31%
Total		63.99%
Overseas Securities, IDRS and ADRs		
International Business Machines Corp [#]	IT Consulting & Other Services	4.41%
British American Tobacco ADR [#]	Tobacco	4.36%
Nestle SA ADR [#]	Packaged Foods	4.02%
3M Co [#]	Industrial Conglomerates	3.83%
Standard Chartered PLC IDR	Banks	1.84%
Anheuser Busch Inbev SA ADR [#]	Brewers	1.45%
Total		19.91%
Debt and Money Market Instruments		
CBLO		13.40%
FDR		1.30%
Invested Total		98.60%
Cash and Cash Equivalent		1.40%
Net Assets		100.00%

* Hedged by offsetting Derivative position

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

Sector Allocation



Quantitative Indicators

Beta	1.17
Standard Deviation	8.48%
Sharpe Ratio	0.7207

The above figures are not annualised.

Risk free rate assumed to be 8.8210% (91Day T-Bill rate as on 30th April 2014).

Performance of the Scheme

NAV as on April 30, 2014 - Direct : 12.3584, Regular : 12.3033

Particulars	Since Inception			
	Returns (%)		Current Value of Investment Of ₹ 10,000	
	Direct	Regular	Direct	Regular
Scheme	23.58	23.03	12,358.4	12,303.3
CNX 500	10.50	10.50	11,049.6	11,049.6
CNX Nifty	10.08	10.08	11,008.1	11,008.1
Sensex	11.92	11.92	11,119.7	11,119.7

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 **8.41%** of the AUM as at April 30, 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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Distributor Helpline

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

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