



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

A scheme designed for genuine  
Long Term Investors!

<b>Investment Objective of the Scheme</b>	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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<b>Risk Category of the scheme</b>	<b>BROWN - HIGH RISK</b>		
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** 

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**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.

**Outlook**

We do not have expertise in predicting short term market movements. We aim to buy stakes in businesses which are well run and wealth creating for shareholders and which are quoting at a discount to intrinsic value. Hence the emphasis on having a minimum of 5 year investment outlook for investing in this scheme.

**Sale of shares in the core portfolio**

Investors will note that periodically there will be some sales in the core equity holdings of our scheme. Our intention at the time of purchase is to hold core investments for the 'long term', meaning a holding period of at least five years. However sometimes a sale becomes

necessary on account of either a steep run up in the price - where it makes sense to sell the shares - or in a case where the business fundamentals deteriorate. We have sold some shares of Jammu & Kashmir Bank Ltd. in the past month. In our rationale for purchase of the bank, one of the factors considered was the good asset quality of the bank. Apart from this, it also had access to low cost deposits on account of its dominating position in the state of Jammu & Kashmir. The first premise - good asset quality - has been shaken a bit, and hence we have sold these shares. The prevailing bullishness has been instrumental in us being able to sell a substantial portion of our holdings at a good profit, though, where the fundamental premise is under question, that is of a secondary importance. We will strive to keep our investments in companies which, in our opinion, offer attractive prospects.

<b>Name of the Scheme</b>	PPFAS Long Term Value Fund
<b>Investment Objective</b>	To seek to generate long-term capital growth from an actively managed portfolio primarily of equity and equity related securities.
<b>Type of the Scheme</b>	An Open Ended Equity Scheme
<b>Inception Date</b>	May 28, 2013
<b>Name of the Fund Managers</b>	<b>Mr. Rajeev Thakkar</b> - Equity Fund Manager (Overall 10 years of experience in fund management) <b>Mr. Vishal Shah</b> - Debt Fund Manager (Since Inception) <b>Mr. Raunak Onkar</b> - Fund Manager for Overseas Securities (Since Inception)
<b>Assets Under Management (AUM) as on August 31, 2014</b>	₹ 475.72 Crores
<b>Net Asset Value (NAV) August 31, 2014</b>	<b>Regular Plan:</b> 14.4241 <b>Direct Plan:</b> 14.5063
<b>Exit Load</b>	Exit load is changed w.e.f. July 7, 2014. You are requested to refer to the SID (Page 79).
<b>Expense Ratio</b>	Regular Plan : 2.50%* Direct Plan : 2.00%*
<b>Benchmark Indices</b>	CNX 500
<b>Minimum Application Amount</b>	New Purchase: ₹ 1,000 Additional Purchase: ₹ 1,000 Monthly SIP: ₹ 1,000 Quarterly SIP: ₹ 5,000

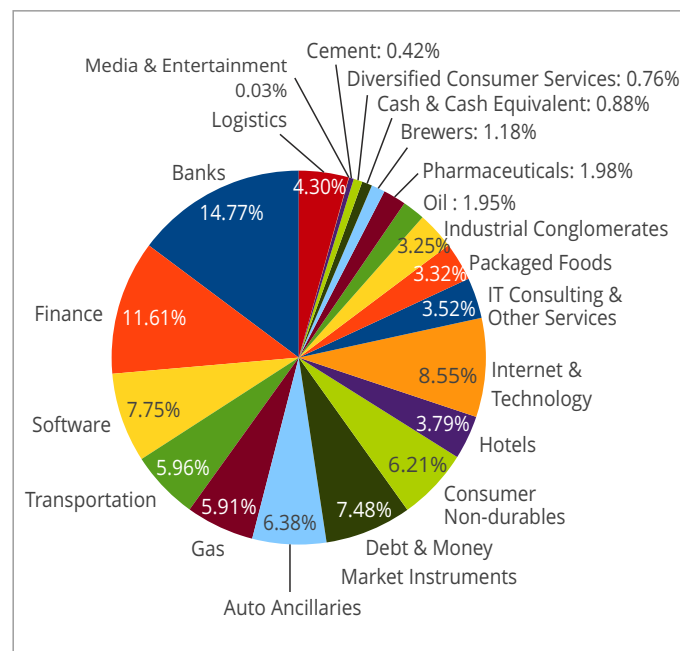
\* Excluding Service Tax

**Portfolio Disclosure**

Core Equity		
Name	Sector	% of Net Assets
ICRA Ltd	Finance	6.79%
Axis Bank	Banks	6.43%
Maharashtra Scooters Ltd	Auto Ancillaries	6.38%
Noida Toll Bridge Co Ltd	Transportation	5.96%
ICICI Bank	Banks	4.87%
IL&FS Investment Managers	Finance	4.82%
Zyduz Wellness Ltd	Consumer Non Durables	4.61%
Polaris Financial Technology Ltd	Software	4.35%
Mahindra Holidays & Resorts India Ltd	Hotels	3.79%
Mphasis Ltd	Software	3.40%
Gujarat Gas Co Ltd	Gas	3.11%
Indraprastha Gas Ltd	Gas	2.80%
The Jammu & Kashmir Bank Ltd	Banks	2.09%
Selan Exploration Technology Ltd	Oil	1.95%
United Spirits Ltd	Consumer Non Durables	1.60%
Wyeth Ltd	Pharmaceuticals	0.99%
Novartis Ltd	Pharmaceuticals	0.99%
MT Educare Ltd	Diversified Consumer Services	0.76%
The Ramco Cements	Cement	0.42%
Navneet Education Ltd	Media & Entertainment	0.03%
<b>Total</b>		<b>66.14%</b>
Overseas Securities, IDRS and ADRs		
Google - C Class #	Internet & Technology	8.55%
United Parcel Services INC #	Logistics	4.30%
International Business Machines Corp #	IT Consulting & Other Services	3.52%
Nestle SA ADR #	Packaged Foods	3.32%
3M Co #	Industrial Conglomerates	3.25%
Standard Chartered PLC IDR	Banks	1.38%
Anheuser Busch Inbev SA ADR #	Brewers	1.18%
<b>Total</b>		<b>25.50%</b>
Debt and Money Market Instruments		
CBLO		6.22%
FDR		1.26%
<b>Invested Total</b>		<b>99.12%</b>
Cash and Cash Equivalent		0.88%
<b>Net Assets</b>		<b>100.00%</b>

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

**Sector Allocation**



**Quantitative Indicators**

Beta	0.65
Standard Deviation	11.98%
Sharpe Ratio	3.04
Portfolio Turnover	21.38%

Above figures are annualised.

Risk free rate assumed to be 8.5814% (91Day T-Bill rate as on 28th August 2014).

**Performance of the Scheme**

NAV as on August 28, 2014 - Direct : 14.5063, Regular : 14.4241

Particulars	Since Inception (CAGR %)			
	Returns (%)		Current Value of Investment Of ₹ 10,000	
	Direct	Regular	Direct	Regular
Scheme	34.51	33.90	14,506.3	14,424.1
CNX 500	26.07		13,373.0	
CNX Nifty	23.83		13,076.0	
Sensex	25.51		13,298.6	
1 Year				
Scheme	50.40	49.74	15,040.1	14,973.9
CNX 500	52.32		15,232.2	
CNX Nifty	45.37		14,537.0	
Sensex	43.06		14,306.4	

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 **8.27%** of the AUM as at August 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](http://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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