

*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!

<b>Investment Objective of the Scheme</b>	<p>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.</p> <p>Buying securities at a discount to intrinsic value will help to create value for investors. Our investment philosophy is to invest in such value stocks.</p>	
<p>Scheme shall be investing in Indian equities, foreign equities and related instruments and debt securities.</p>		
<b>Risk Category of the scheme</b>	<b>BROWN - HIGH RISK</b>	
<p>Blue colour refers that principal investment will be at low risk</p>	<p>Yellow Colour refers that principal investment will be at medium risk</p>	<p>Brown Colour refers that principal investment will be at high risk</p>

**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**

SPONSORED BY:

**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 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 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.

<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 Jan 31, 2014</b>	₹ 312.75 Crores
<b>Net Asset Value (NAV) Jan 31, 2014</b>	<b>Regular Plan:</b> 10.6099 <b>Direct Plan:</b> 10.6438
<b>Exit Load</b>	NIL
<b>Expense Ratio</b>	Regular Plan : 2.50% Direct Plan : 2.00% <i>(Excluding Service Tax)</i>
<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

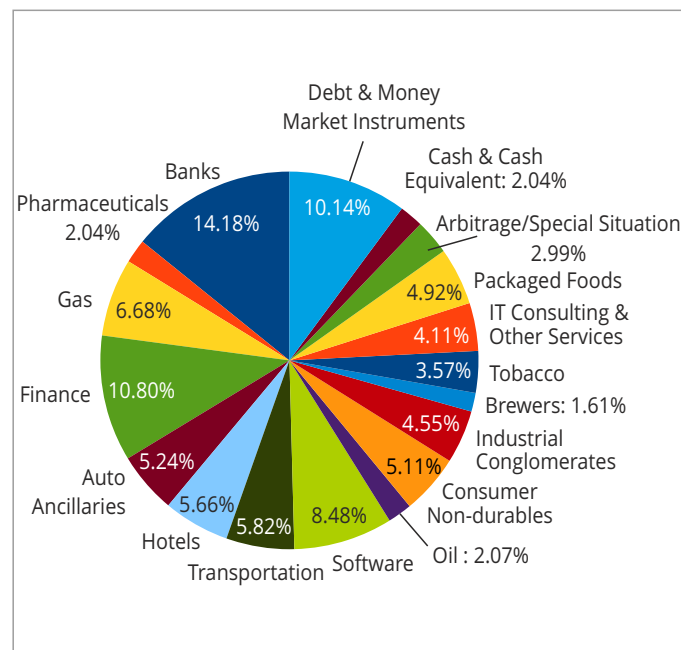
## Portfolio Disclosure

Core Equity		
Name	Sector	% of Net Assets
ICRA	Finance	6.25%
Noida Toll Bridge Co Ltd	Transportation	5.82%
Mahindra Holidays & Resorts India Ltd	Hotels	5.66%
Axis Bank	Banks	5.53%
Maharashtra Scooters Ltd	Auto Ancillaries	5.24%
The Jammu and Kashmir Bank	Banks	5.16%
Zydus Wellness	Consumer non-durables	5.11%
IL&FS Investment Managers Ltd	Finance	4.54%
Mphasis Ltd	Software	4.31%
Polaris Financial Technology Ltd	Software	4.17%
Gujarat Gas Company Ltd	Gas	3.88%
Indraprastha Gas Ltd	Gas	2.80%
Selan Exploration Technology Ltd	Oil	2.07%
Wyeth Ltd	Pharmaceuticals	1.09%
Novartis Ltd	Pharmaceuticals	0.95%
Arbitrage/Special Situation		
Glaxosmithline Pharma Ltd		1.87%
Yes Bank Ltd*		1.12%
<b>Total</b>		<b>65.57%</b>
Overseas Securities, IDRs and ADRs		
Nestle SA ADR#	Packaged Foods & Meat	4.92%
3M CO#	Industrial Conglomerates	4.55%
International Business Machines Corp #	IT Consulting & Other Services	4.11%
British American Tobacco ADR#	Tobacco	3.57%
Standard Chartered PLC IDR	Banks	3.48%
Anheuser Busch Inbev SA ADR#	Brewers	1.61%
<b>Total</b>		<b>22.24%</b>
Debt and Money Market Instruments		
CBLO		8.54%
FDR		1.60%
<b>INVESTED TOTAL</b>		<b>97.96%</b>
Cash & Cash Equivalent		2.04%
<b>Net Assets</b>		<b>100.00%</b>

\* Hedged by offsetting Derivative position

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

## Sector Allocation



## Quantitative Indicators

Beta	0.93
Standard Deviation	5.33%
Sharpe Ratio	0.4448

The above figures are not annualised.

Risk free rate assumed to be 8.80% (91Day T-Bill rate as on 31st January 2014).

## Performance of the Scheme

NAV as on January 31, 2014 - **Direct** : 10.6438, **Regular** : 10.6099

Particulars	Since Inception			
	Returns (%)		Current Value of Investment Of ₹ 10,000	
	Direct	Regular	Direct	Regular
Scheme	6.44	6.10	10,643.8	10,609.9
CNX 500	-0.99	-0.99	9,900.7	9,900.7

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 **8.52%** of the AUM as at January 31, 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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