

Parag Parikh Long Term Value Fund

(An Open Ended Equity Scheme)

A scheme designed for genuine Long Term Investors!

Factsheet

OCTOBER 2016

This Scheme is Suitable for Investors who can remain invested for minimum 5 years!

Name of the Fund	Parag Parikh 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
Date of Allotment	May 24, 2013
Name of the Fund Manager	Mr. Rajeev Thakkar - Equity Fund Manager (Overall 15 years of experience in fund management) Mr. Raj Mehta - Debt Fund Manager (Since January 27, 2016) Mr. Raunak Onkar - Fund Manager for Overseas Securities (Since Inception)
Assets Under Management (AUM) as on Oct 28, 2016	₹ 691.32 Crores
Average AUM for the Month	₹ 696.51 Crores
Net Asset Value (NAV) as on Oct 28, 2016	Regular Plan: 18.7473 Direct Plan: 19.0744
Entry Load	Not Applicable
Exit Load	Exit Load is changed w.e.f. July 7, 2014. You are requested to refer to the SID (Page 89).
Weighted Average Expense Ratio	Regular Plan: 2.80%* Direct Plan: 2.22%* * Inclusive of service tax on management fees & additional charge in respect of sales beyond T-15 cities.
Benchmark Index	Nifty 500
Minimum Application Amount	New Purchase: ₹ 1,000 Additional Purchase: ₹ 1,000 Monthly SIP: ₹ 1,000 Quarterly SIP: ₹ 3,000

Our CEO, Neil Parag Parikh on why we have changed our flagship scheme's name to '**Parag Parikh Long Term Value Fund**' :

The prime motivators behind this move are:

- To pay homage to our Founder whose vision and actions have been instrumental in where we stand today.
- Given his standing and image in the industry, we believe it has the potential to ensure better connect and recall among investors and distributors, as compared to a bland acronym.

Maharashtra Scooters

There have been two holding companies which enable investors to participate in the performance of Bajaj Auto, Bajaj Finserv and Bajaj Finance. These are Maharashtra Scooters (MSL) and Bajaj Holdings and Investment Ltd. (BHIL)

For a long time MSL was the cheaper alternative and it traded at discounts much larger than BHIL. Of late, given the steep rise in the price of MSL, that situation has changed. Consequently, we have switched out a big part of our MSL holding into BHIL.

Noida Toll Bridge

On October 26, an Allahabad High Court ruling was adverse to Noida Toll Bridge. Given the additional uncertainties in the company's operations, we decided to completely exit the investment.

Adverse corporate developments in individual companies or overall market volatility is not new. We held 2.77% of our portfolio in the company as on October 26 and we completely exited the position on October 28. The loss to our scheme's NAV on this account is around 0.85% (85 basis points) or about 17 paise.

This development does not have any significant impact on the long term performance of the scheme. Indeed by sheer co-incidence the impact even on the short term performance was not of significance (just as an aside, the PLTVF regular plan had a 2.48% return for the month vs 1.34% for the benchmark CNX 500).

We would re-iterate that investors need to focus on the long term performance and stick to their asset allocation rather than get sucked into the constant news cycle.

Our preferred course of action in this regard would have been to let the monthly factsheet do the talking. However, in this day of 24x7 news and social media, everything is "Breaking News". We felt it important to communicate with unit-holders the exact factual situation on our investments so as not to allow rumour mongering and unwarranted anxiety.



About the Fund

Parag Parikh 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

As usual, our investment stance does not depend much on the macro-economic situation but is focussed on individual companies. We have about 12% in cash holdings and arbitrage positions which can be deployed in long term investments at appropriate levels.

It is futile to predict market bottoms / tops or to time the market. One's investment horizon should be long enough to ride out the volatility. A staggered investment over time or a Systematic Investment Plan (SIP) is always better than a lump sum investment.

Portfolio Disclosure

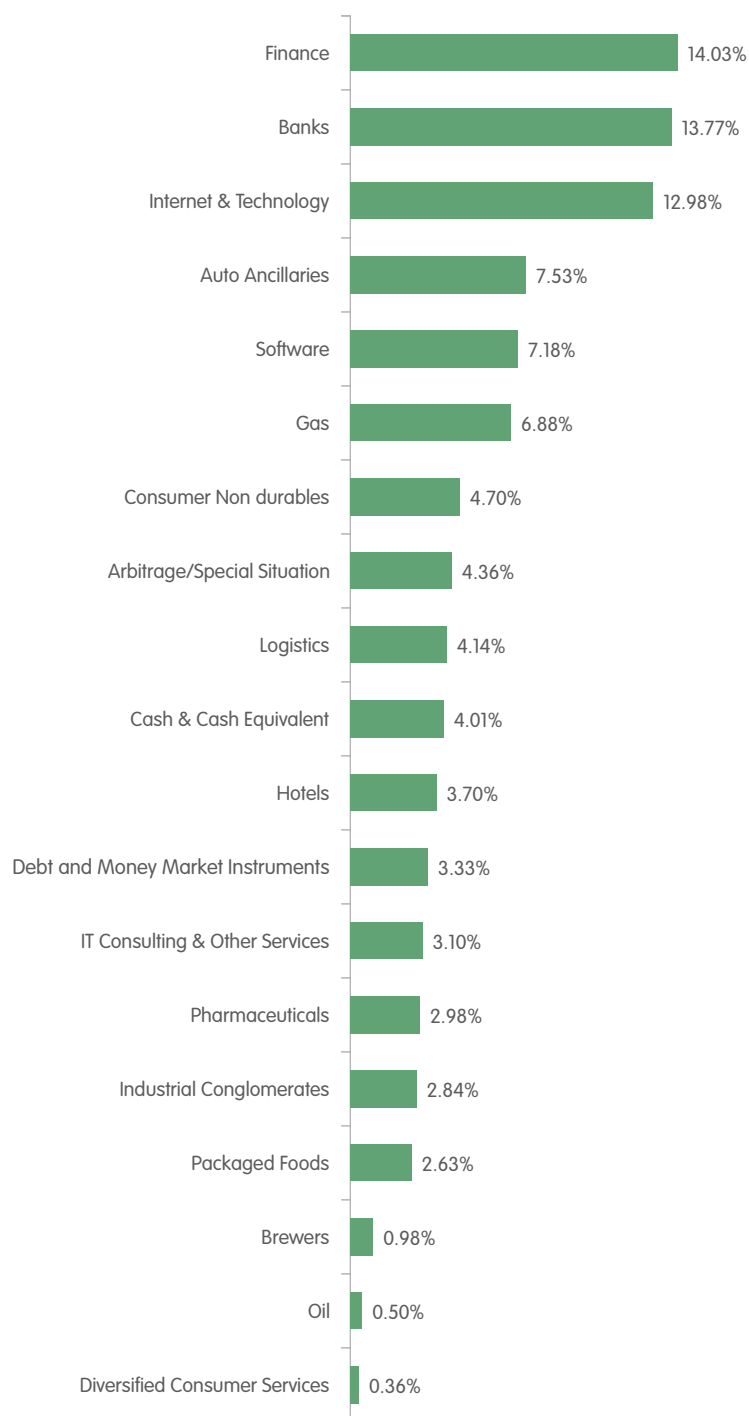
Core Equity		
Name	Sector	% of Net Assets
HDFC Bank	Banks	6.72%
Bajaj Holdings & Investment Ltd	Finance	6.63%
ICRA Ltd	Finance	5.38%
Zydus Wellness Ltd	Consumer Non Durables	4.70%
Persistent Systems Ltd	Software	4.48%
Indraprastha Gas Ltd	Gas	4.40%
Maharashtra Scooters Ltd	Auto Ancillaries	4.01%
Mahindra Holidays & Resorts India Ltd	Hotels	3.70%
Axis Bank	Banks	3.56%
Balkrishna Industries	Auto Ancillaries	3.52%
ICICI Bank Ltd	Banks	3.02%
Mphasis Ltd	Software	2.70%
Gujarat Gas Ltd	Gas	2.48%
IPCA Laboratories Ltd	Pharmaceuticals	2.09%
IL&FS Investment Managers	Finance	2.02%
Pfizer Ltd	Pharmaceuticals	0.89%
Selan Exploration Technology Ltd	Oil	0.50%
MT Educare Ltd	Diversified Consumer Services	0.36%
Arbitrage		
Tata Motors Ltd*		2.12%
Coal India*		1.37%
Cairn India Ltd*		0.87%
Total		65.52%
Overseas Securities, IDRS and ADRs		
Alphabet Inc (Google Class C) #	Internet & Technology	11.59%
United Parcel Services INC #	Logistics	4.14%
International Business Machines Corp #	IT Consulting & Other Services	3.10%
3M Co #	Industrial Conglomerates	2.84%
Nestle SA ADR #^	Packaged Foods	2.63%
Apple Inc #	Internet & Technology	1.39%
Anheuser Busch Inbev SA ADR #	Brewers	0.98%
Standard Chartered PLC	Banks	0.47%
Total		27.14%
Debt and Money Market Instruments		
CBLO		2.03%
FDR		1.30%
Invested Total		95.99%
Cash and Cash Equivalent		4.01%
Net Assets		100.00%

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

* Hedged by offsetting derivative position

^ Traded on US OTC Markets

Industry Allocation



Quantitative Indicators

Beta	0.66
Standard Deviation	12.47%
Sharpe Ratio	1.09
Portfolio Turnover (Excl. Equity Arbitrage)	11.53 %
Portfolio Turnover (Incl. Equity Arbitrage)	91.71%

- Above figures are annualised.

- Risk free rate assumed to be 6.24% (FBIL Overnight MIBOR as on 28th October, 2016)

Lumpsum Investment Performance

Date	Scheme	Benchmark	Index	Index	Value of Investment of Rs. 10,000/-			
	PLTVF	Nifty 500	Nifty 50	S&P BSE Sensex	PLTVF	Nifty 500	Nifty 50	S&P BSE Sensex
Since Inception (May 27, 2013)	20.14%	14.20%	10.78%	10.21%	18,747.30	15,755.82	14,199.88	13,949.29
Sep 30, 2015 to Sep 30, 2016	14.66%	11.27%	8.33%	6.54%	11,466.24	11,126.60	10,833.13	10,654.23
Sep 30, 2014 to Sep 30, 2015	8.59%	3.59%	-0.20%	-1.79%	10,859.39	10,359.12	9,980.04	9,821.38
Sep 30, 2013 to Sep 30, 2014	45.08%	46.08%	38.87%	37.41%	14,508.27	14,607.53	13,887.33	13,741.40

Note: Data presented here is upto the last calendar quarter

Cumulative Returns

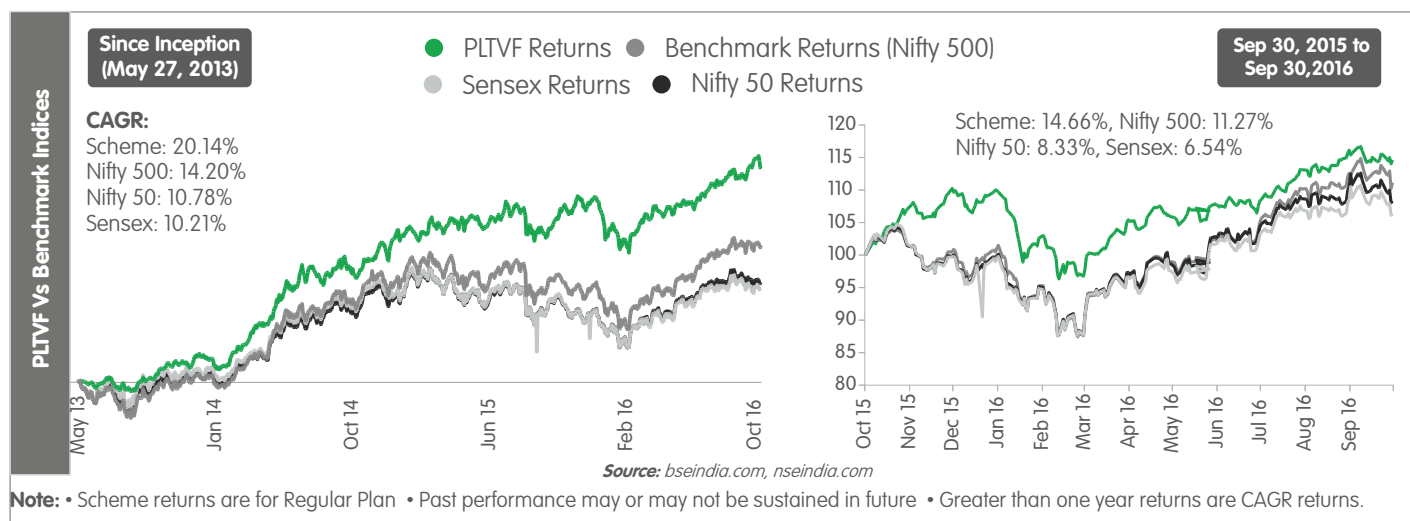
Date	Period	Scheme	Benchmark	Index	Index	Value of Investment of Rs. 10,000/-			
		PLTVF	Nifty 500	Nifty 50	S&P BSE Sensex	PLTVF	Nifty 500	Nifty 50	S&P BSE Sensex
Sep 30, 2015 to Sep 30, 2016	Last 1 Year	14.66%	11.27%	8.33%	6.54%	11,466.24	11,126.60	10,833.13	10,654.23
Sep 30, 2014 to Sep 30, 2016	Last 2 Years	11.57%	7.35%	3.97%	2.29%	12,447.91	11,523.94	10,810.35	10,463.27
Sep 30, 2013 to Sep 30, 2016	Last 3 Years	21.77%	18.95%	14.49%	12.86%	18,055.43	16,828.90	15,008.73	14,374.13

Note: Data presented here is upto the last calendar quarter

SIP Investment Performance

Assumption : ₹ 10,000/- is invested on the first of every month.

	Since Inception from June 1, 2013	Sep 30, 2015 to Sep 30, 2016 (Last 1 Year)	Sep 30, 2015 to Sep 30, 2016 (Last 3 Years)
Total Amount Invested	4,10,000.00	1,20,000.00	3,60,000.00
Market value of Investment	5,45,995.00	1,28,836.00	4,48,611.00
Returns (Annualised) (%)	17.07%	13.92%	14.83%
Nifty 500 Returns (Annualised) (%)	13.35%	19.12%	12.02%
Nifty 50 Returns (Annualised) (%)	9.01%	14.72%	8.17%
S&P BSE Sensex Returns (Annualised) (%)	7.48%	12.26%	6.51%



We have our Skin in the Game

The combined holding of 'Insiders' in Parag Parikh Long Term Value Fund amounts to **12.84% of the AUM as at October 28th, 2016**. For more details please visit the ['Scheme' section of our website](#).

Definitions

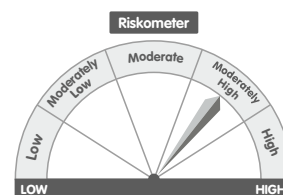
Fund Manager	An employee of the asset management company such as a mutual fund or life insurer, who manages investment of the scheme. He is usually part of a larger team of fund managers and research analysts.
Application amount for fresh subscription	This is the minimum investment amount for a new investor in a mutual fund scheme.
Minimum additional amount	This is the minimum investment amount for an existing investor in a mutual fund scheme.
SIP	SIP or systematic investment plan work on the principle of making periodic investments of a fixed sum. It works similar to a recurring bank deposit. For instance, an investor may opt for an SIP that invests ₹500 every 15 th of the month in an equity fund for a period of three years.
NAV	The NAV or the net asset value is the total asset value per unit of the mutual fund after deducting all related and permissible expenses. The NAV is calculated at the end of every business day. It is the value at which the investor enters or exits the mutual fund.
Benchmark	A group of securities, usually a market index whose performance is used as a standard or benchmark to measure investment performance of mutual funds, among other investments. Some typical benchmark include the Nifty, Sensex, BSE200, BSE500, 10-year Gsec.
Entry Load	A mutual fund may have a sales charge or load at the time of entry and/or exit to compensate the distributor/agent. Entry load is charged at the time an investor purchase the units of a mutual fund. The entry load is added to the prevailing NAV at the time of investment. For instance, if the NAV is ₹ 100 and the entry load is 1%, the investor will enter the fund at Rs 101.
Exit Load	Exit load is charged at the time of redeeming (or transferring an investment between schemes). The exit load percentage is deducted from the NAV at the time of redemption (or transfer between schemes). This amount goes to the Asset Management Company and not into the pool of funds of the scheme.
Standard Deviation	Standard deviation is a statistical measure of the range of an investment is performance. When a mutual fund has a high standard deviation, its range of performance is wide implying greater volatility.
Sharpe Ratio	The Sharpe Ratio named after its founder, the Nobel Laureate William Sharpe is a measure of risk-adjusted returns. It is calculated using standard deviation and excess return to determine reward per unit of risk.
Beta	Beta is a measure of an investment's volatility vis-a-vis the market. Beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.
AUM	AUM or assets under management refers to the recent / updated cumulative market value of investments managed by a mutual fund or any investment firm.
Holdings	The holding or the portfolio is a mutual fund's latest or updated reported statement of investments/securities. These are usually displayed in term of percentage to net assets or the rupee value or both. The objective is to give investors an idea of where their money is being invested by the fund manager.
Nature of Scheme	The investment objective and underlying investments determine the nature of the mutual fund scheme. For instance a mutual fund that aims at generating capital appreciation by investing in stock markets is an equity fund or growth fund. Likewise a mutual fund that aims at capital preservation by investing in debt markets is a debt fund or income fund. Each of these categories may have sub-categories.
Portfolio Turnover Ratio	A measure of how frequently assets within a fund are bought and sold by the managers. Portfolio turnover is calculated by taking either the total amount of new securities purchased or the amount of securities sold - whichever is less - over a particular period, divided by the total net asset value (NAV) of the fund. The measurement is usually reported for a 12-month time period.

This product is suitable for investors who are seeking long term capital growth.

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.

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



PPFAS Asset Management Private Limited

Great Western Building, 1st Floor, 130/132,
Shahid Bhagat Singh Marg, Near Lion Gate, Fort,
Mumbai - 400 001. INDIA.

www.amc.ppfas.com

Sponsor: Parag Parikh Financial Advisory Services Private Limited



INVESTOR HELPLINE
91 22 6140 6537

MISSED CALL
91 88980 87998

DISTRIBUTOR HELPLINE
91 22 6140 6538

Email: mf@ppfas.com • Website: www.amc.ppfas.com

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

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