Pramerica

Managed Account Services

Monthly Factsheet - May 2014

Dear Investor,

The election season is well upon us, and inevitably the following question keeps getting asked: "During this time of uncertainty, should one invest in equity?"

While this may seem to be a logical question to ask, the truth is that the future is always uncertain. What we can do as investors is to choose the kind of companies that are likely to be less affected by an adverse event, and try not to overpay for the companies that we buy. Beyond this, there is very little that we can do.

That said, let us remember that this country has witnessed several "uncertain" times during the past 20-25 years. Just to list out the major ones:

Year	Event
1992	Harshad Mehta scam
1993	Latur earthquake
1995	Plague scare
1995	IPO scam
1998	Pokhran nuclear tests and subsequent sanctions
1999	Kargil war
1999	Cyclone in Odisha
1999	Ketan Parekh scam
2000	Meltdown in technology stocks worldwide
2000 - 2003	Industrial slump
2001	Gujarat earthquake
2001	September 11 attack on New York Twin Towers
2001	December attack on Indian Parliament
2002	Operation Parakram
2002	Communal riots in Gujarat
2003	SARS epidemic scare
2004	Asian Tsunami
2005	Sarojini market bomb blast, New Delhi
2006	Mumbai train serial bomb blasts
2008	Terrorist attack on Mumbai
2008	Worldwide economic crisis
2008	Serial bomb blasts, New Delhi
2010	CWS scam
2011	Bomb blast at Delhi High Court premises
2011	Mumbai bomb blasts
2011	Adarsh scam
2011	2G scam
2011 - 2014	Industrial slump
2012	Riots in Assam
2012	Coal block scam
2013	Riots in Muzaffarnagar

The moot point is that despite these "uncertain times" listed above, the Indian stock market (represented by the BSE Sensitive Index), has generated a compounded return of 14.3% per annum (excluding dividends) during the period of January 1991 to April 2014 (Source: www.bseindia.com).

Can we predict the next major cataclysmic event? Maybe some people can, but most of us cannot. What we can do, however, is to restrict our investment choices to companies that have comparatively stronger balance sheets, and business models that are more robust than their peers. Added to this, if we pay attention to the price at which we buy these shares, and try not to pay an extravagant price for our purchases, we can expect to make a very satisfactory return from the stock market, without taking on too much risk.

That is what we seek to do with your portfolio.

The performance of the Pramerica Deep Value Strategy as of 30th April 2014 is as follows:

Pramerica Deep Value Strategy Portfolio Performance as on 30th April 2014

Period	Portfolio	Nifty	CNX500	CNXMIDCAP
1 Month	1.82%	-0.12%	0.59%	1.99%
3 Months	22.39%	9.97%	11.61%	16.49%
6 Months	28.25%	6.31%	9.38%	16.57%
Since inception date (3rd July 2013)	40.24%	14.32%	15.69%	17.62%
Portfolio Turnover Ratio	2.16%			

3 Month Absolute Returns

Period	From	To	Strategy Return	Nifty Return
Lowest Returns of Pramerica Deep Value Strategy	15-Jul-13	15-Oct-13	2.00%	0.97%
Lowest Returns of NIFTY	4-Nov-13	4-Feb-14	3.56%	-5.01%
Highest Returns of Pramerica Deep Value Strategy	27-Jan-14	27-Apr-14	24.00%	10.54%
Highest Returns of NIFTY	3-Sep-13	3-Dec-13	15.93%	16.11%

Please read the performance related disclosures at the end of the document.

Important Disclosures regarding the consolidated portfolio performance

Performance depicted as at the above stated date is based on all the client portfolios under Pramerica Deep Value Strategy existing as on such date, using time weighted average methodology. **Past performance is no guarantee of future returns. The above portfolio performance is before charging of any expenses (as depicted above).** Return for period upto 1 year is absolute. Since inception date stated is considered to be the date on which the first client investment was made under the strategy. Please note that the actual performance for a client portfolio may vary due to factors such as expenses charged, timing of additional flows and redemption, individual client mandate, specific portfolio construction characteristics or other structural parameters. These factors may have impact on client portfolio performance and hence may vary significantly from the performance data depicted above. Neither the Portfolio Manager, nor its directors or employees shall in any way be liable for any variation noticed in the returns of individual client portfolios. The Portfolio Manager does not make any representation that any investor will or is likely to achieve profits or losses similar to those depicted above. Investment objective of Pramerica Deep Value Strategy: Pramerica Deep Value Strategy seeks to generate returns by investing in a portfolio of value stocks which have the potential of superior wealth creation over long term.

Disclaimers and risk factors

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