



Managed Account Services

Monthly Factsheet - October 2014

Dear Investor,

One of the most important features of buying anything is to be aware of the reasons for buying it. This is true for a humble purchase of groceries, buying a large property, or buying an investment product.

What can be the valid reasons for buying a Separately Managed Account (otherwise called Portfolio Management Service - PMS)?

Is it the expectation of "superior return"? Is it the expectation of "quicker return"?

NO!!!

A Portfolio Management Service (PMS) should ideally be a "complementary product" to the normal investment products that one has in the portfolio (e.g., mutual funds). A PMS is neither superior to, nor inferior to, any mutual fund product. It acts as a logical diversification.

Speaking of Pramerica's own PMS, it does serve this purpose, with its offering of

- Minimal churn (the churn ratio of our portfolio was just 4.37%[#]). Low churn means low costs, and low costs mean higher overall returns.
- A portfolio that is different - our overlap with the mainline mutual funds will not be more than 10% (as per the latest available portfolios of mutual funds compared to our latest model portfolio)
- A portfolio with a weighted average Return on Capital (RoCE)* of 32% (As per the latest model portfolio)

Although we are happy about the returns that Pramerica's Managed Account Services have generated in the past year, we would caution you not to make that as the **only** reason to buy the product.

Remember, because our portfolio has been constructed with little or no consideration given to the composition of the Index, there may be times when our portfolio outperforms the Index, and for the same reason, there may be periods when our portfolio underperforms the Index.

When it outperforms, it does not become a superior product. When it underperforms, it will not be an inferior product.

But at all times, it is a different product and acts as a complement to the other mainline products that you would be having in your portfolio.

What you should be looking for is consistency in investment approach and consistency in investment rationale (especially when the portfolio is underperforming).

Happy investing.

The churn ratio is for the period July 8, 2013 to Sept 30, 2014.

*Weighted average RoCE is the average RoCE of these companies for the past 5 years, adjusted for the respective portfolio weights. RoCE data downloaded from ACE Equity.

KEY PORTFOLIO PERFORMANCE INDICATORS

Month on Month Performance

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13*	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Pramerica Deep Value Strategy	-	-	-	-	-	-	-1.34%	-0.87%	4.66%	5.27%	3.31%	4.08%
NIFTY	-	-	-	-	-	-	-1.20%	-4.71%	4.82%	9.83%	-1.95%	2.07%
Over/(Under) Performance	-	-	-	-	-	-	-0.14%	3.84%	-0.16%	-4.56%	5.26%	2.01%

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Pramerica Deep Value Strategy	-2.43%	4.96%	14.02%	1.84%	12.75%	10.54%	-0.46%	3.30%	4.18%	-	-	-
NIFTY	-3.40%	3.08%	6.81%	-0.12%	7.97%	5.28%	1.44%	3.02%	0.13%	-	-	-
Out /Under Performance	0.97%	1.88%	7.21%	1.96%	4.78%	5.26%	-1.90%	0.28%	4.05%	-	-	-

* Return for the period 8th July 2013 to 31st July 2013.

1 Month Before Expenses Returns

Scheme: 1 PDVS-Discretionary Regular Return

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

Period	Portfolio	NIFTY	CNX500	CNXMIDCAP
1 Month	4.21%	0.13%	0.86%	2.74%
3 Months	7.19%	4.64%	3.91%	2.90%
6 Months	36.16%	18.80%	22.79%	32.58%
1 Year	79.82%	38.87%	46.08%	63.17%
Since inception (08/07/2013)	64.07%	28.15%	32.51%	42.52%
Portfolio Turnover Ratio	4.37%			

3 Month Absolute Returns

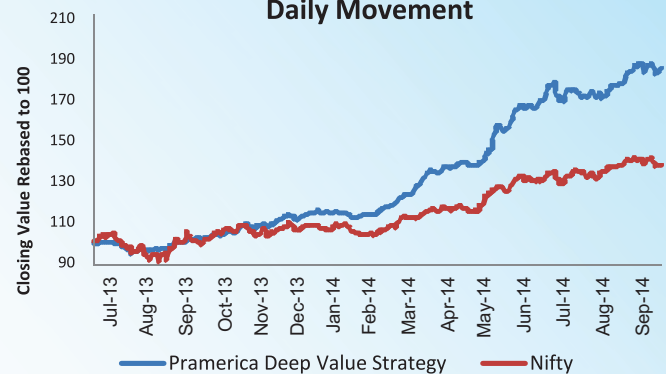
Period	From	To	Strategy Return	Nifty Return
Lowest Returns of Pramerica Deep Value Strategy	15-Jul-13	15-Oct-13	2.60%	0.97%
Lowest Returns of NIFTY	4-Nov-13	4-Feb-14	3.75%	-5.01%
Highest Returns of Pramerica Deep Value Strategy	9-Mar-14	9-Jun-14	36.29%	17.28%
Highest Returns of NIFTY	23-Feb-14	23-May-14	34.16%	19.68%

Portfolio Characteristics

Characteristics	Portfolio	NIFTY
Average Daily Return	0.14%	0.07%
Daily Volatility	0.58%	0.85%
Beta	0.44	

Portfolio characteristics provided above are based on all the clients' portfolios under the regular portfolio of the strategy for the period from July 08, 2013 to September 30, 2014 for the purpose of understanding the volatility of the portfolio vis a vis the index.

Daily Movement



Important Disclosures regarding the consolidated portfolio performance: Performance depicted above is based on all the client portfolios under Regular Portfolio (without any client imposed restrictions) of 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 performances are before charging of any expenses. 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. 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.

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.

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