



**Newsletter**  
August 2015



# Managed Account Services

## Good versus "the best"

Dear Investor,

It is the constant endeavour for almost all of us to get ourselves the "best" of everything. This is a perfectly legitimate endeavour and indeed, this is what keeps the competitive spirit alive. At the same time, it is also important to recognize the drawbacks of seeking out the "best", especially when the parameters of choosing the best are suspect. This is very relevant in the choice of investment products.

In the search for the "best" investment, there is a constant comparison as to how each investment product has done in terms of the returns generated, and more importantly, the conclusion that the product that has given the higher return in the immediately preceding time period (say 3 months or 1 year) is superior to the one that has given a lower return.

We would like to quote from our newsletter of April 2014, in which we had raised this very point:

"Much as we are pleased about the "outperformance" in the past 9 months, we would like to caution you that too much should not be read into this. [The performance of an investment period over a period of time should be only one of the various factors that you should consider while choosing to invest in that product.](#)

What should really matter to you (the investor) is whether the style and the philosophy followed by this product suits your needs, and if it does, the next important decision is how much of your overall equity portfolio you should allocate to a product like this.

Any logical investment style (if followed consistently) would pay off over a period of time, [but no investment style, however sound it is, will continuously give better returns.](#) This "outperformance" of our PMAS over the past few months only means that this style followed by us has found favour in the market over the past few months.

Please remember that there will be times when our style will not be favoured by the market, and during such times, we trust that you would recognize that our product is just as good as it is now. Remember, to you as an Investor, it is important that each product remains faithful to its mandate, and if you diversify across three or four different types of products, at least one product will do well at any point of time, and cumulatively you would be spreading your risks by investing in three or four different styles"

At Pramerica's PMS, we have clearly stated the type of companies that we will be including in the portfolio, and the conditions under which they shall be included in the portfolio. We have not deviated from this at all. We shall continue to manage this product in the same manner in the years ahead.

There will be times when our product will be delivering higher returns, and there will be times when competing products will be delivering higher returns. You (in consultation with your investment advisor) should ideally have a mix of a few products that follow different investment styles.

Please see if the product is "good" for you. There will be no product that is constantly the "best".

**"When we all think alike, no one thinks very much"**

**- Albert Einstein**

# KEY PORTFOLIO PERFORMANCE INDICATORS

## Quarter on Quarter Performance

	Jul - Sep '13*	Oct-Dec '13	Jan-Mar '14	Apr-Jun '14	Jul - Sep '14	Oct - Dec '14	Jan - Mar '15	Apr - Jun '15
PDVS	2.38%	13.20%	16.77%	26.92%	7.12%	4.82%	1.67%	0.15%
Nifty	-1.31%	9.92%	6.35%	13.53%	4.64%	3.99%	2.51%	-1.44%
Over/(Under) Performance	3.69%	3.28%	10.42%	13.39%	2.48%	0.83%	-0.84%	1.59%

\* Return for the period 8th July 2013 to 30th September 2013

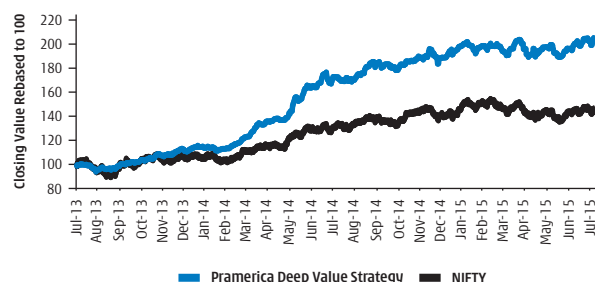
Returns calculated for 3 months gross of expenses

Returns are Quarterly returns for Pramerica Deep Value Strategy - Discretionary Clients Regular Portfolio.

### Top 15 Holdings of Pramerica Deep Value Strategy Discretionary Portfolio Regular Plan as on July 31, 2015

Security	Sector	% Assets
Indraprastha Gas Ltd.	City Gas Distribution	6.70%
Container Corporation of India Ltd.	Logistics	6.48%
Siemens Ltd.	Engineering	6.27%
Colgate-Palmolive (I) Ltd.	FMCG	4.48%
Oil & Natural Gas Corporation Ltd.	Oil Exploration	4.47%
Infosys Ltd.	Computers - Software	4.30%
Hero Motocorp Ltd.	Motor Cycles/Scooters	4.11%
CRISIL Ltd.	Credit Rating	3.91%
ITC Ltd.	FMCG	3.83%
Divis Laboratories Ltd.	Pharmaceuticals	3.75%
Blue Star Ltd.	Air Conditioners	3.58%
Bosch Ltd.	Auto Ancillaries	3.50%
Glaxosmithkline Pharmaceuticals Ltd.	Pharmaceuticals	3.30%
Swaraj Engines Ltd.	Diesel Engines	3.29%
VST Tillers Tractors Ltd.	Farm Equipments	3.26%
<b>Total</b>		<b>65.23%</b>

### Performance Comparison



### Portfolio Details

Portfolio Details as on July 31, 2015	
Weighted average RoCE	39.50%
Portfolio PE (1-year forward)	17
Portfolio dividend yield	1.60%
Average age of companies	52 Years

The above holding represents top 15 holdings of Pramerica Deep Value Strategy - Regular Portfolio based on all client portfolios existing as on the date stated above, excluding any temporary cash investments. The above holdings do not represent the model portfolio being offered to the clients (including prospective clients) and hence it is possible that these stocks may not be part of the portfolios constructed for new clients. The above holdings are for illustration purpose only and it should not be considered as investment recommendation or analysis or advice or opinion from the Portfolio Manager on the above mentioned stocks. The above portfolio holdings are provided on an "as is" basis, and the Portfolio Manager makes no express or implied warranties or representations with respect to the accuracy, completeness, reliability, or fitness of the above portfolio holdings or any financial results you may achieve from their use. In no event shall the Portfolio Manager, its directors or employees or its affiliates have any liability relating to the use of the portfolio holdings.

## Pramerica Deep Value Strategy Portfolio Performance as on 31<sup>st</sup> July, 2015

Period	Portfolio	NIFTY	CNX500	CNXMIDCAP
1 Month	5.00 %	1.96 %	3.03 %	5.53 %
3 Months	7.24 %	4.29 %	5.28 %	8.19 %
6 Months	3.05 %	-3.13 %	-0.84 %	4.61 %
1 Year	20.75 %	10.51 %	14.72 %	26.67 %
2 Years	44.68 %	21.92 %	27.40 %	41.37 %
Since inception date 08/07/2013	42.07 %	19.89 %	24.30 %	35.08 %
Portfolio Turnover Ratio	27.53%			

**Important Disclosures regarding the consolidated portfolio performance:** Performance depicted above is based on all the client portfolios under Regular Portfolio of Pramerica Deep Value Strategy existing as on such date, using Time Weighted Rate of Return (TWRR). 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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This document is dated August 10, 2015.