



Newsletter
May 2015

Managed Account Services

The “good” is not an enemy of the “best”

Dear Investor,

One of the main causes of failures in investing is the tendency to be “the best” at all points of time. Both in case of amateur and professional investors, this desire to be “perfect” or remain invested only in the “best performing investment product” leads to serious ill-effects, financially as well as psychologically.

We have observed several investors who change their fund or investment product merely because it has not moved up as much as some other product in the past few months. Now, many of these investors find out to their dismay that the new fund or product lags behind as well. It is a sad fact that several portfolio managers are also afflicted by this syndrome and try to keep changing their styles to match the one that is performing the best presently.

We believe that there is nothing more dangerous (for the health of the portfolio) than to keep switching styles mid-way. This is like jumping over from one car to the other just because it is moving faster.

Please rest assured, this is not an excuse for non-performance!! We believe that we have built a portfolio of good, solid companies for you, and, as we have explained in various forums, we tend to buy stocks of companies that are not very popular. When a stock is not popular, it is likely to be less expensive. When it is purchased when it is less expensive, we have a greater chance of capital appreciation.

All that we seek to do in your portfolio is the following: **Buy a company with a strong track record, and the prospect of good growth over the next few years, but buy it when is not extremely popular. After purchasing such a stock, wait till it becomes popular.**

This simple-sounding investment philosophy, we believe, has a great chance of delivering a decent return to the investors, without subjecting them to unnecessary risks.

Is this the “best” investment style? No. But then, **no investment style can be called the “best”** because, as you would have observed, no investment product consistently remains the best.

Each investment product performs well during certain conditions. To you the investor, what makes sense is to have a selection of diverse investment products, but individually stick to their respective mandates. That way, you are spreading your risks, and cumulatively, one of your products would be doing well at any point of time.

Please check (with the help of your investment advisor) whether each investment product is consistent with its stated mandate. That is definitely in your interest.

“ In the world of investing, being correct about something isn't at all synonymous with being proved correct right away” - Howard Marks

KEY PORTFOLIO PERFORMANCE INDICATORS

Month on Month Performance

	Jul-13*	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
Pramerica Deep Value Strategy	-1.34%	-0.87%	4.66%	5.27%	3.31%	4.08%	-2.43%	4.96%	14.02%	1.84%	12.75%
Nifty	-1.20%	-4.71%	4.82%	9.83%	-1.95%	2.07%	-3.40%	3.08%	6.81%	-0.12%	7.97%
Over/(Under) Performance	-0.14%	3.84%	-0.16%	-4.56%	5.26%	2.01%	0.97%	1.88%	7.21%	1.96%	4.78%

	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
Pramerica Deep Value Strategy	10.54%	-0.46%	3.30%	4.18%	1.47%	2.36%	0.95%	3.73%	-0.66%	-1.41%	-1.91%
Nifty	5.28%	1.44%	3.02%	0.13%	4.49%	3.20%	-3.56%	6.35%	1.06%	-4.62%	-3.65%
Over/(Under) Performance	5.26%	-1.90%	0.28%	4.05%	-3.02%	-0.84%	4.51%	-2.62%	-1.72%	3.21%	1.74%

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

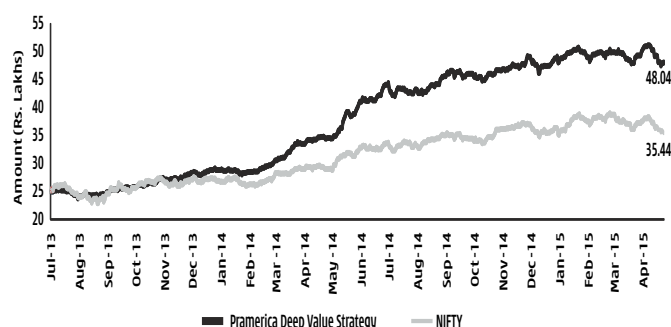
Monthly Returns before charging expenses

Returns are for Pramerica Deep Value Strategy : Discretionary Regular

Pramerica Deep Value Strategy Portfolio Performance as on 30th April 2015

Period	Portfolio	NIFTY	CNX500
1 Month	-1.91 %	-3.65 %	-3.27 %
3 Months	-3.93 %	-7.12 %	-5.82 %
6 Months	2.98 %	-1.69 %	0.96 %
1 Year	39.67 %	22.18 %	28.43 %
Since inception date 08/07/2013	43.46 %	20.13 %	24.52 %
Portfolio Turnover Ratio	12.38%	-	-

Value of Rs. 25 Lakhs invested at inception



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 8 May, 2015