PORTFOLIO MANAGEMENT SERVICES

Newsletter: January 2019

DHFL Pramerica

From the desk of the Portfolio Manager for DHFL Pramerica Core Equity Portfolio Strategy

Let us all make this resolution for the New Year

Dear Investor,

It is that time of the year when several investors, distributors, media persons, both in print and electronic media and market analysts are animatedly discussing how the market, its components, their real and perceived drivers would move in the ensuing quarters, or in the ensuing year ahead.

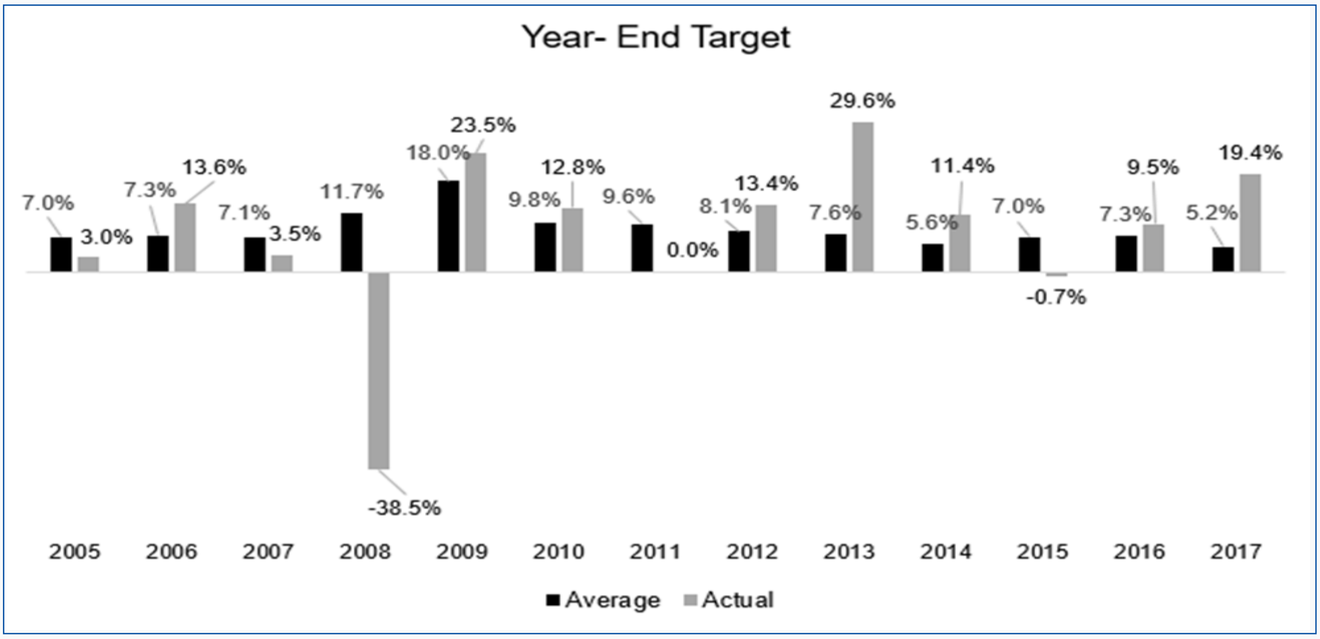
Looking around, we can see that predictions are routinely made about:

- How the market indexes would move
- How the election results would turn out, therefore what impact they would have on the stock market
- How the foreign exchange rates, most notably the USD/INR rates would move
- How the interest rates would move
- Which sectors would "outperform"
- Will "Large Cap" stocks do better, or "Mid-cap and Small-cap" stocks do better?
- How will the US economy and US interest rates move?

This is not just an Indian phenomenon. Major investment firms and their strategists worldwide regularly publish their predictions about how the stock market would move.

I recently came across an interesting article which tracked the predictions of major Wall street firms about stock market movement over the past 12 years and compared it to the actual results. The following chart makes interesting reading:

History of estimates (of stock market movement) versus reality - US markets (2005-2017)



Source: Michael Batnick's article in the irrelevantinvestor.com
https://theirrelevantinvestor.com/2018/12/17/next-year/

Interestingly, in each of the previous 12 years, the actual movement of the stock market did not match with the predictions made. And we are now talking about the most sophisticated market in the world.

Closer home, let us just rewind our lives till a few months ago and remember all the predictions that were made:

- There were predictions about the number of seats various parties would get in the 5 state elections recently;
- When the recent assembly election results were declared, there were predictions about how the stock market would sharply fall;
- Since the state election results coincided with the exit of the RBI governor, there was almost a certainty in several quarters that the market would crash the next day.

NOTHING OF THE KIND HAPPENED

Now the predictions have shifted to how many seats each party would get in the forthcoming general elections in 2019.

There are other predictions about how crude price movement would affect India's stock market, how the Dollar/Rupee exchange rate would impact, how the GST impacts India's stock market, how each budget presentation would impact India's stock market and of course the impact of geo-political changes.

Now, **ALL** of these factors, and many more, would have their impact on the stock market, but there is no immediate cause-effect relationship.

Some questions we have faced in the last few months go something like this:

- If the implementation of the GST, the IBC (Insolvency and Bankruptcy Code), Diesel decontrol, are major reforms, why doesn't the stock market react positively to them?
- What if the election results in 2019 do not go the way we expect?
- Should I invest in the stock market now (meaning will the stock market go up in the near future?)

The GST, IBC and diesel de-control were indeed important reform measures. We are confident that these would benefit the Indian economy in the years to come. But **let us not make the depressing mistake of expecting an immediate and proportionate reflection of these reforms on the stock market.**

Let us look at some of these apprehensions expressed, and try and answer them with data:

1) Which political party's victory is good for the stock market?
2) Impact of crude oil price movement on the stock market's movement
3) Impact of USD/INR movement on the stock market's movement
4) Which sectors should I focus on in the next year?
5) Will large caps do better, or mid-caps do better?

Political parties' score in the elections, and its impact on the stock market

All said and done, there is a good deal of continuity of economic policies amongst the major political parties in the country.

- Disinvestment started by Congress, continued by NDA
- Insurance sector reforms mooted by original NDA, continued by UPA, and carried forward by second NDA
- Aadhaar introduced by the UPA, enhanced by the NDA

Major economic reforms have happened both when the Congress party was in power at the Centre, as well as when the NDA was in power.

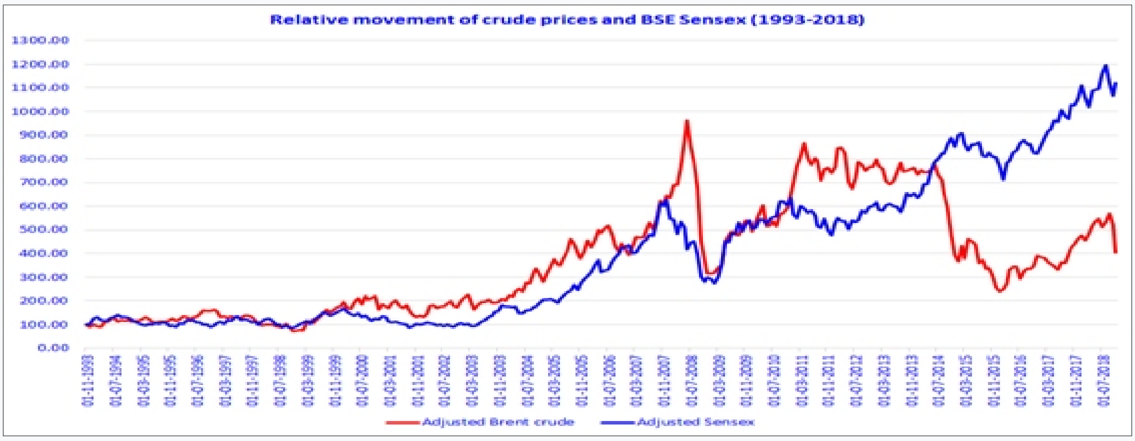
Now, we really cannot predict **when** the impact of the economic reform will manifest itself in the stock market. What we should be watching out for is whether there is any change in the direction of the reforms (the pace may vary).

It may surprise some readers to learn that the biggest rise in the stock market (measured as percentage returns under different governments) happened under Mr. VP Singh's prime ministership, when the government had a finance minister who was described as a "socialist". This period was not marked by any major economic reform.

On the other hand, some of the most radical reforms were undertaken in 1993, and the stock market slept until 3 years after that.

The biggest bull market happened when there was "minority government" at the Centre that was supported by the "Left parties".

Chart 1:Correlation between crude prices and the stock market movement

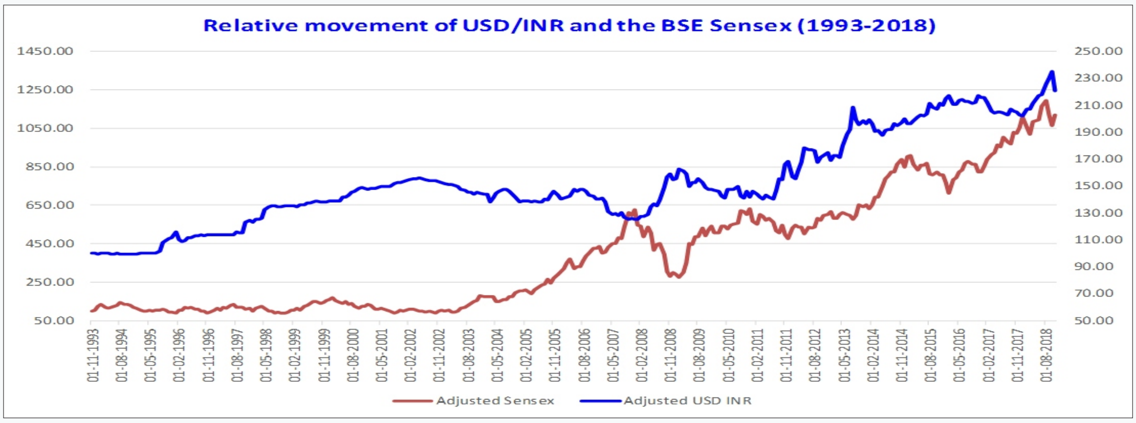


Source: Bloomberg.

It can be noted from Chart 1 in the previous page that in the past 25 years, there have been periods with positive correlation between crude prices and the stock market, and periods when they have moved in opposite directions. So, I leave you to conclude the extent of correlation between crude prices and the stock market.

In the past 25 years, crude prices have risen (in dollar terms) by 5.75% per annum. In rupee terms, it has been 8.92% per annum, and the BSE Sensitive Index has grown by 10.14% per annum.

Chart 2: USD/INR movement and its impact on the stock market



Source: Bloomberg.

In the last 25 years, the USD/INR rate has increased by a CAGR of 3.23%, and the BSE Sensitive Index has grown at a CAGR of 10.14%.There are both positive and negative impacts of a weakening currency. A depreciating rupee hurts the overall economy, given our import dependence on several sectors, but also helps the exporters, and enhances potential FII inflows. **The point is that there are no straightforward correlations that are possible.**

Chasing popular sectors

Can we get better returns by getting in and out of sectors that sharply outperform, rather than staying invested in a broad- based portfolio? To answer this question, we created two hypothetical investors:

- Investor A Just bought the equivalent of a BSE 200 Index (multicap index) and held it for 20 years
- Investor B bought sector funds that were outperforming at that point of time and exited after they ceased to outperform. The other assumption here is that Investor B enters a sector Fund one year after that sector gains popularity and exits the same sector fund one year after it peaks out. From the time Investor B exits one sector and enters another popular sector (again, one year after it gains popularity), he completely stays away from the stock market, and invests in a Liquid Fund earning 6% per annum.

Both started investing in 1998, and the results are calculated in 2018 (20 years)

Investor B enters a Technology Fund in 1998 (the popularity had been gained) and exited the fund in 2001;

Enters an Infrastructure Fund in 2006 and exits in 2009

Enters an FMCG Fund in 2011 and exits in 2015; and

Enters a small cap fund in 2015 and is still holding it in 2018.

Interestingly, Investor A (who just bought the BSE 200 Index in 1998) - would have made 14.35% per annum

Investor B (after all the permutations) - would have made 12.08% per annum

Morals of the story - (1) too much activity is bad for overall returns

(2) Trying to predict timing of popularity of various sectors is not a good idea.

Large-caps, Mid-caps or Small-caps?

Table 1 – comparative movement of the Large cap, Midcap and Small cap Indexes

Time period	BSE Sensex	BSE Midcap	BSE Smallcap
Dec 2003 - Dec 2007	36.5%	42.0%	53.0%
Dec 2007 - Dec 2013	0.7%	-6.1%-	11.2%
Dec 2013 - 11/12/18	10.8%	17.2%	16.7%
Long term Dec 2003 - 11/12/18	**12.8%**	**12.9%**	**12.5%**
Source: www.bseindia.com			

Please note the very interesting data presented in Table 1 - Over a long period of time, the returns earned from Large Cap, Mid-Cap and Small Cap indexes have been almost identical (The data was compiled on 12/12/2018). However, in interim periods, there are wide disparities in returns.

Where does all this leave us?

First of all, before predicting, let us truthfully answer these questions:

(a) Are we capable of accurately predicting the price movement of any stock, or the stock market in general, or the election results beforehand, or the impact an election result would have on the stock market, or how major commodities, interest rates and currencies would move?

(b) If we are not capable, do we at least know of someone who has, with consistency, correctly predicted all these factors?

(c) The answer to both questions (a) and (b) is likely to be "No" in almost all cases.

So, if we are not capable of predicting, why predict? Let us just do what everyone of us can do.

The option open to us, therefore, is to choose to invest in companies that can do well irrespective of which party wins the election, and/or better capable of withstanding sharp fluctuations in commodity/currency. If we don't have the time to do the stock picking ourselves, use a good financial advisor to choose fund managers who have demonstrated the capability to do it (over a reasonably long period of time)

Secondly, instead of predicting which sector will do well over the next few quarters, ensure that a bulk of it stays invested in broad-based portfolios.

Since (as we have seen) there are cycles that elevate or pull down large, mid and small cap stocks, let us spread our risk and cover all three categories by investing a proportion of our portfolio in each segment.

No investment product will keep maximizing returns at all points of time. So, let's just choose a set of them that are reasonably different from each other so that our risks are spread out. By doing this, we reduce the chances that if one underperforms, not all the products need to underperform at the same time.

Finally, some basic facts about the equity investment case in our country

1. There is a broad consensus that this country's economy can grow at between 6.5% - 7.5% per annum over the next several years - and this means a nominal GDP growth of about 11% per annum. There aren't too major economies that are capable of this kind of growth.
2. Despite the chaos, despite the acrimony witnessed on aggressive debates that we see on television, despite all the frustrations, this country remains a genuinely diverse, robust democracy with greater individual freedom compared to more than easily 75% of the countries in the world.
3. This country has a diverse range of industries
4. There are institutions in this country that ensure (to a very large extent) that the rule of the law is by-and-large followed
5. The capital market system in this country is efficient, transparent and allows for smooth transactions with a speedy settlement system.
6. There is a congruence of economic ideologies amongst the major political parties. This is true, despite the very acrimonious parliamentary proceedings that tend to distract us.
7. Economic reforms such as the GST, Bankruptcy code, diesel de-control, increase in the banking participation, subsidy-targeting etc., are reasons why we can be sanguine about the future years' economic performance

If we agree that, despite niggling problems, there exists a genuine investment case for this country, the next things we should do are:

1. Stop ourselves from expecting immediate cause-effect relationship between an economic event and its impact on the stock market according to our expectation. The stock market is **NOT** going to move the way we want it to move. Our job is to choose a decent business, run by decent people, at a decent price. After that, predicting **when** the stock would move, or by how much, takes us into the realm of speculation. NOBODY can do it, simply NOBODY.
2. A bullish market is very pleasing to our ego. Let us not allow a bull market to lull us into believing we have attained control. As Warren Buffett so beautifully puts it - **"Nothing sedates rationality like large doses of effortless money"**. Truer words were never uttered.
3. Stop predicting. Let us stop predicting the stock market's movement, how many seats each political party will get, how interest rates will move, or how currency exchange rates will move. There is simply no evidence to show that anybody has got it consistently right. Of course, some predictions come true, because there are so many opinions about how the world would move, and the world must move in **SOME** direction.

4. So, if we are not capable of predicting these things, is the stock market not for us? I am not suggesting this at all. All that I am saying is - it is not necessary for anyone to predict.
5. What we need to do is to choose businesses that would do well irrespective of whether party A or party B wins the next election.
6. After that, we need to choose it at a price that makes sense (i.e., we buy it for it is own intrinsic strength, and based on our confidence that we are not overpaying for it, and NOT BECAUSE OF THE SOLE REASON THAT WE EXPECTED TO SELL IT OFF TO SOMEONE ELSE WHEN THE EVENT THAT WE PREDICTED HAPPENED)
7. Accept the fact that periodically, there would be bear markets. The equity market is not obliged to go up continuously.

Dear Investor, in conclusion, there is no doubt that we are fortunate to live in a country that promises to grow over the next several decades. There are reasons to feel proud that India, despite its enormous diversity in food habits, languages, beliefs, cultures, weather patterns and ways of life, remains a genuine democracy with far greater individual freedom than most countries on earth.

Investing in this country to grow with it is not a bad idea at all. But expecting the market to continuously behave the way we want it to behave is a bad idea.

Let us make a New Year's resolution that I think will help us succeed in the stock market. Let us be true to ourselves and accept the fact that we cannot predict how the hundreds of variables (that make the stock market go up or down) would move. Let us focus on **WHY** stocks should move, and not on the **WHEN**.

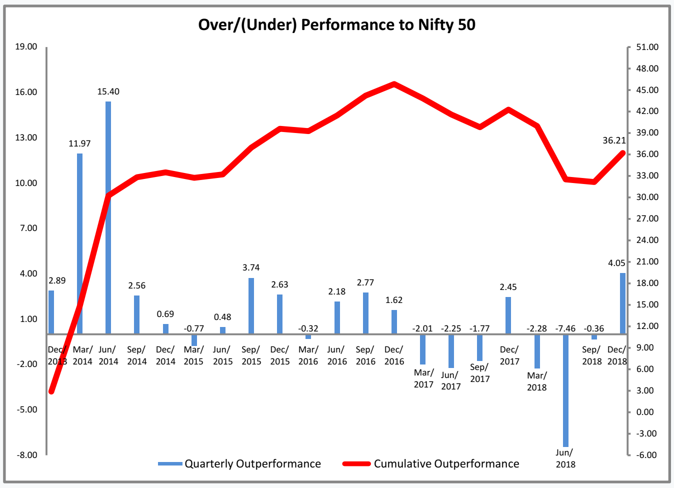
Speaking of ourselves, we do try to estimate how competitive the investee companies can continue to be and try to estimate the extent of earnings growth the companies can generate. But predicting the movement of all variables that affect the stock market is, in our humble opinion, a futile exercise.

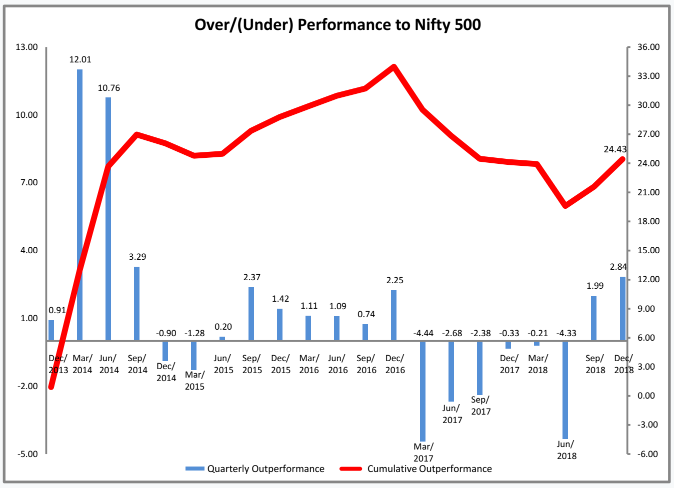
We wish you and your family a very happy, healthy and prosperous New Year 2019.

Warm regards,
Yours Sincerely,

(E A Sundaram)
Portfolio Manager

DHFL PRAMERICA CORE EQUITY PORTFOLIO STRATEGY
KEY PORTFOLIO PERFORMANCE INDICATORS





Performance depicted as at the above stated date is based on all the client portfolios under the Regular Portfolio of DHFL Pramerica Core Equity Portfolio Strategy existing as on such date, using Time Weighted Rate of Return (TWRR) of each client and then computing an arithmetic average for the overall strategy. Past performance may or may not be sustained in future.

Top 15 Holdings of DHFL Pramerica Core Equity Portfolio Strategy Discretionary Portfolio Regular Plan as on December 31st, 2018

Date of Purchase	Equity	Sector	%
Sep/2015	State Bank of India	Banking / Financial Services	6.52%
Jul/2013	Container Corporation of India Ltd	Logistics	4.99%
Jun/2015	ITC Ltd	FMCG	4.80%
Aug/2013	Cummins India Ltd	Engineering	4.63%
Jul/2013	Indraprastha Gas Ltd	City Gas Distribution	4.30%
Mar/2015	Castrol India Ltd	Lubricants / oils	4.27%
Jan/2016	Oracle Financial Services Software Ltd	IT Services / Products	4.16%
Feb/2018	Multi Commodity Exchange Of India Ltd	Other Financial Services	4.13%
May/2018	Bharat Electronics Ltd	Industrial Electronics	4.04%
Oct/2017	Power Grid Corporation Of India Ltd	Power- Transmission	3.88%
Jul/2013	Bosch Ltd	Auto Ancillaries	3.52%
Oct/2013	Divis Laboratories Ltd	Pharmaceuticals	3.48%
Aug/2013	Great Eastern Shipping Co Ltd	Shipping	3.45%
Jun/2016	Amara Raja Batteries Ltd	Batteries - Automobile	3.17%
Jun/2018	Ge Power India Ltd	Power Equipment	3.15%
	Total		**62.49%**

Model Portfolio Details

Portfolio Details as on December 31st, 2018	
Weighted average RoCE	24.82%
Portfolio PE (1-year forward) (Based on FY 20)	17.86
Portfolio dividend yield	1.28%
Average age of companies	55 Years

Portfolio Composition as on December 31st, 2018	
Large Cap	41.50%
Mid Cap	30.75%
Small Cap	17.25%
Cash	10.50%

Large Cap: Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on December 31st, 2018

Mid Cap: Market cap below 100th company to the market cap of the 250th company in the Nifty 500 (sorted by market cap in descending order) as on December 31st, 2018

Small Cap: Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on December 31st, 2018

The above holding represents top 15 holdings of DHFL Pramerica Core Equity Portfolio 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.

DHFL Pramerica Core Equity Portfolio Strategy Portfolio Performance as on December 31st, 2018

Period	Portfolio	NIFTY 50	NIFTY 500
1 Month	2.96%	-0.13 %	0.67 %
3 Months	3.43%	-0.62 %	0.59 %
6 Months	4.85%	1.38 %	0.08 %
1 Year	-2.98%	3.15 %	-3.38 %
2 Years	10.30%	15.21 %	14.61 %
3 Years	10.71%	10.98 %	10.89 %
5 Years	20.10%	11.54%	13.35%
Since inception date 08/07/2013	21.03%	11.88 %	13.70 %
Portfolio Turnover Ratio*	29.26%		

*Portfolio Turnover ratio for the period January 1st 2018 to December 31st, 2018

Consolidated Portfolio CY Performance of DHFL Pramerica Core Equity Portfolio Strategy

CY	Portfolio Performance	NIFTY 50	NIFTY 500
08-07-2013 to 31-12-2013	13.79	7.43	8.36
CY 2014	77.24	31.39	37.82
CY 2015	2.48	-4.06	-0.72
CY 2016	8.90	3.01	3.84
CY 2017	24.56	28.65	35.91
CY 2018	-2.98	3.15	-3.38
08-07-2013 to 31-12-2018	21.03	11.88	13.70

Performance depicted as at the above stated date is based on all the client portfolios under the Regular portfolio of DHFL Pramerica Core Equity Portfolio Strategy existing as on such date, using Time Weighted Rate of Return (TWRR) of each client and then computing an arithmetic average for the overall strategy. Past performance is no guarantee of future returns. The above portfolio performance is after charging of expenses (as depicted above)

Important Disclosures regarding the consolidated portfolio performance: Performance depicted as at the above stated date is based on all the client portfolios under the Regular Portfolio of existing as on such date, using Time Weighted Rate of Return (TWRR) of each client and then computing an arithmetic average for the overall strategy. Past performance is no guarantee of future returns. The above portfolio performance is after charging of 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 DHFL Pramerica Core Equity Portfolio Strategy: DHFL Pramerica Core Equity Portfolio Strategy seeks to generate returns by investing in a portfolio of value stocks which have the potential of superior wealth creation over long term.

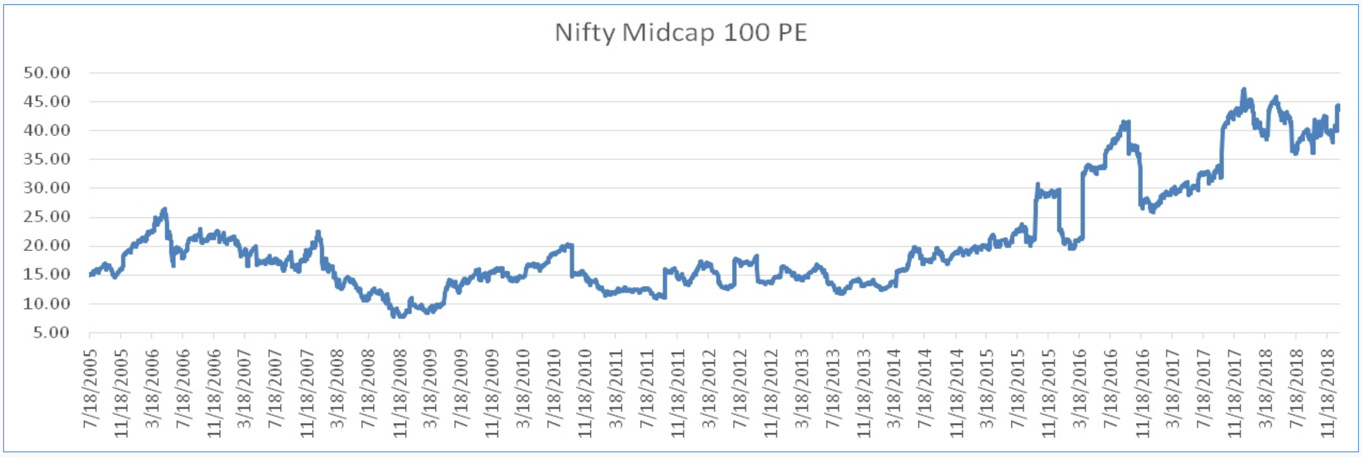
From the desk of the Portfolio Manager for DHFL Pramerica Phoenix Strategy

Dear Investor,

At the outset, I would like to wish you and your family a very happy new year. I also take this opportunity to articulate on what we did in 2018 and what are our broad thoughts for 2019.

2018 was a challenging year especially in the mid and small cap space where there was decent price erosion. Despite having higher exposure to small cap companies, we have been saved from the big carnage which was there in many companies' share price. Major reason for that being, we were conservative in our growth assumptions, high focus on what we paid for stocks which were bought in 2017 & 2018 and finally keeping cash in the portfolios if the opportunities were not there.

Historical PE of Nifty Midcap 100 (Source Bloomberg)



As of now 2019 again seems to be a volatile year for equities because the valuations remain expensive in the small and mid-cap space for most of the high-quality companies. We remain conservative in our approach of stock selection i.e. avoiding high leverage names, companies with doubtful corporate governance standards and hazy business models. The amount of cash is low across the portfolios in comparison to what we were having a year back and the reason for that is more opportunities are available today than they were a year back.

The areas of focus for us remains real estate, capital goods, infrastructure and small private sector banks as of now. The thought process remains that we like to take bigger positions in these sectors whenever the valuations turn more attractive both by increasing the number of stocks and position in these stocks.

We are now beginning to watch more closely auto ancillaries and companies which have higher revenues from rural areas i.e. agrochemicals, seeds, rural financing, farm equipment etc. Both these sectors are expected to face headwinds in the earnings in near-term; automobiles because of slowing growth and agriculture because of farmer distress.

The sectors which we are avoiding completely are consumer facing companies because of high valuations, consumer facing financials and NBFC's because of high valuations, increasing cost of capital and our fear of poor credit processes being followed in last few years at many financial institutions.

Another question which gets asked is what are our thoughts on general elections and how is the portfolio positioned? We invest for long term and in our view over the longer term it is more important that we buy stocks when the valuations are cheap. We are not going to raise cash or invest more in anticipation of the election results. If the valuations are cheap and number of securities are available, we will buy and if securities are expensive we will sell. That remains the core ethos of the investment process we have.

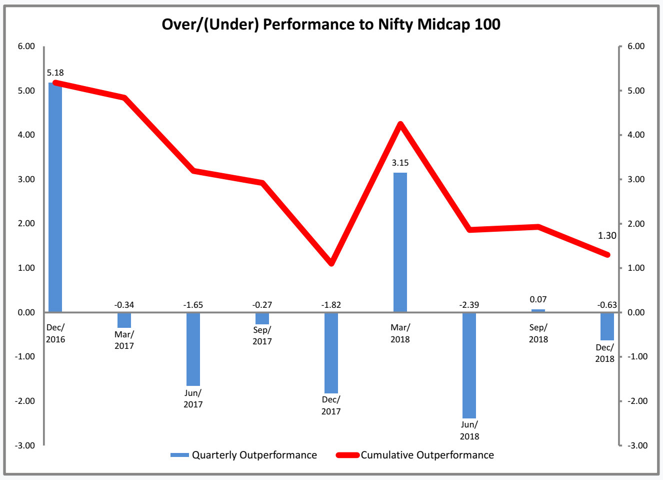
Some of the recent changes which we have brought in the portfolio are: -

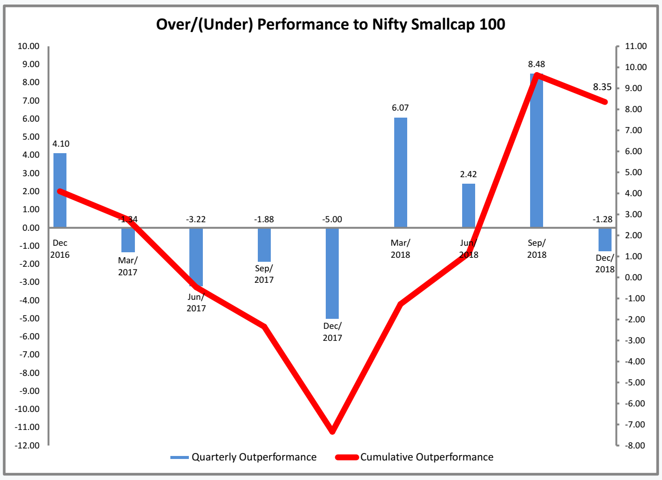
1. We sold some quantities in Federal Bank, GESCO and Cummins to reduce the weightage in these stocks as these stocks had risen by more than 25% from the recent lows and to have some cushion to add more if these stocks fall. We remain optimistic on the long-termprospects of these companies and they remain core stocks in the portfolio.
2. We have decided to tender the shares of Dhanuka Agritech, ONGC and Techno Electric in the buyback of these companies.

Yours Sincerely,

(Himanshu Upadhyay)
Portfolio Manager

DHFL PRAMERICA PHOENIX STRATEGY
KEY PORTFOLIO PERFORMANCE INDICATORS





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Top 15 Holdings of DHFL Pramerica Phoenix Strategy as on December 31st, 2018

Date of Purchase	Equity	Sector	%
Aug/2016	Federal Bank Ltd	Banks	5.68%
Aug/2016	Great Eastern Shipping Co Ltd	Shipping	4.89%
Jan/2018	Indian Bank	Banks	4.31%
Apr/2018	Mahanagar Gas Ltd	LPG/CNG/PNG/LNG SUPPLIER	4.27%
Sep/2016	Apar Industries Ltd	Power Equipment	4.03%
Jan/2018	Vijaya Bank	Banks	3.95%
Mar/2018	Cummins India Ltd	Engineering	3.91%
Aug/2016	JB Chemicals & Pharmaceuticals Ltd	Pharmaceuticals	3.85%
Aug/2016	Oberoi Realty Ltd	Residential/Commercial/ Sez Project	3.73%
Aug/2016	Sobha Ltd	Residential/Commercial/ Sez Project	3.57%
Jul/2017	Mayur Uniquoters Ltd	Textiles	3.47%
Aug/2016	Ahluwalia Contracts India Ltd	Cement Products	3.47%
May/2017	MOIL Ltd	Industrial Minerals	3.29%
Apr/2017	Hexaware Technologies Ltd	Computers - Software	3.27%
Oct/2016	DCB Bank Ltd	Banks	3.19%
	Total		**58.88%**

Model Portfolio Details

Portfolio Details as on December 31st, 2018	
Weighted average RoE	11.87%
Portfolio PE (1-year forward) (Based on FY 20)	11.66
Portfolio dividend yield	1.19%

Portfolio Composition as on December 31st, 2018	
Large Cap	0.00%
Mid Cap	28.50%
Small Cap	59.25%
Cash	12.25%

Large Cap: Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on December 31st, 2018

Mid Cap: Market cap below 100th company to the market cap of the 250th company in the Nifty 500 (sorted by market cap in descending order) as on December 31st, 2018

Small Cap: Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on December 31st, 2018

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DHFL Pramerica Phoenix Strategy Portfolio Performance as on December 31st, 2018

Period	Portfolio	NIFTY MIDCAP 100	NIFTY SMALLCAP 100
1 Month	2.69%	2.12 %	3.75 %
3 Months	3.57%	4.20 %	4.85 %
6 Months	-1.45%	-1.68 %	-10.15 %
1 Year	-12.72%	-15.42 %	-29.08 %
2 Years	11.40%	11.61 %	5.63 %
Since inception date 01/08/2016	9.10%	8.21 %	2.43 %
Portfolio Turnover Ratio*	32.25%		

*Portfolio Turnover ratio for the period January 1st 2018 to December 31st, 2018

Consolidated Portfolio CY Performance of DHFL Pramerica Phoenix Strategy

Period	Portfolio	NIFTY MIDCAP 100	NIFTY SMALLCAP 100
01/08/2016 to 31/12/2016	1.08	-2.85	-5.01
CY 2017	42.13	47.26	57.30
CY 2018	-12.72	-15.42	-29.08
01/08/2016 to 31/12/2018	9.10	8.21	2.43

Performance depicted as at the above stated date is based on all the client portfolios under the Regular Portfolio of DHFL Pramerica Phoenix Strategy existing as on such date, using Time Weighted Rate of Return (TWRR) of each client and then computing an arithmetic average for the overall strategy. Past performance is no guarantee of future returns. The above portfolio performance is after charging of expenses (as depicted above)

Important Disclosures regarding the consolidated portfolio performance: Performance depicted as at the above stated date is based on all the client portfolios under DHFL Pramerica Phoenix Strategy existing as on such date, using Time Weighted Rate of Return (TWRR) of each client and then computing an arithmetic average for the overall strategy. Past performance is no guarantee of future returns. The above portfolio performance is after charging of 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 DHFL Pramerica Phoenix Strategy: The objective of the strategy is to generate capital appreciation over the long term by investing in a portfolio of equity of Indian companies

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