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**India is throwing a party,  
have you booked a table yet?**



Join the celebrations now!



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Equity markets are in the midst of a bull run...  
Do not miss out the ride, that will be fuelled by:

Conducive  
Economic  
Environment

Action  
Oriented  
Government

Make in  
India  
Push

Growth in  
Corporate  
Earnings

Markets  
way below  
historical  
peak  
valuations



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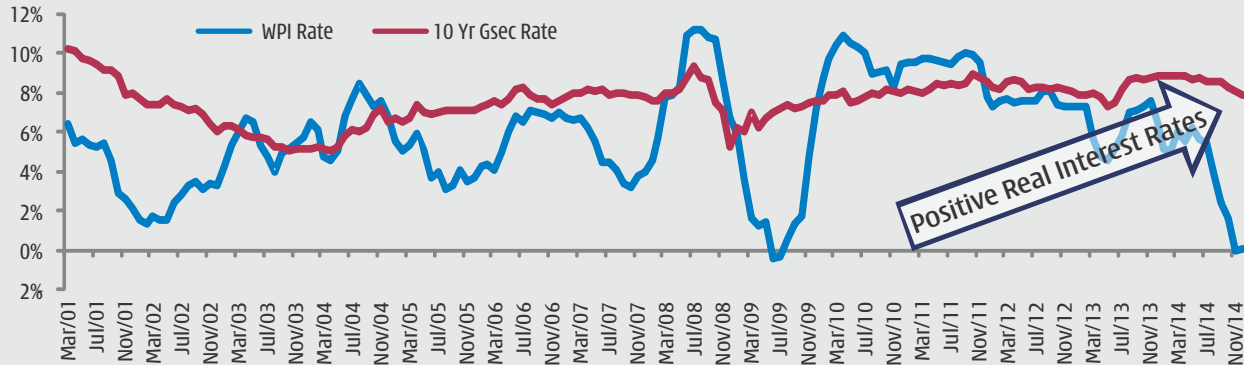
# Conducive Economic Environment

# The mood is upbeat...



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- ◆ RBI through its efficient currency and inflation control is helping bring down risk premium on investment in India.
- ◆ Commodity prices, including oil, have come down and are expected to remain low.
- ◆ Falling inflation has resulted in positive real interest rate, highest in the last 10 years.



- ◆ Sustained positive real interest will allow RBI to cut interest rates, resulting in lower cost of capital and laying a strong foundation for GDP growth.
- ◆ Early part of last decade saw similar environment which led to high GDP growth from 2003 till 2010.

Data Source: Bloomberg, RBI.

Real Interest Rates: 10 Year G Sec over WPI. The real interest rate is the rate of interest an investor expects to receive after allowing for inflation.



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# Action Oriented Government

# The Government is hosting the party...



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- ◆ Positive signal to the investing community by not appealing against High Court verdict on Vodafone<sup>1</sup>.
- ◆ Government planning to defer GAAR and smoothen retro tax issues in GAAR<sup>1</sup>.
- ◆ Initiated the process of transparent & efficient allocation of resources like coal blocks and telecom spectrum.
- ◆ Ordinance for Land Reforms and Insurance Bill issued, GST on track for 2016 launch.
- ◆ Introduction of labor reforms in Rajasthan, MP and Maharashtra.
- ◆ Opening up of Defense and others sectors for FDI.
- ◆ Long term structural Initiatives like Jan Dhan will rationalize and reduce subsidy burden.
- ◆ RBI structural initiatives for banking system with regards to NPA and ability of banks to convert debt into equity.
- ◆ Skill development efforts, govt. expects to provide larger pool of labor as well.
- ◆ Improve logistics infrastructure and reduce transportation cost.
  - ◆ Through Dedicated freight corridors, high speed rail, port connectivity and containerization of cargo.



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# Make In India Push

# The theme is 'Make in India'...



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- ◆ "Make in India" is a global call to make India a competitive manufacturing hub.

## Making Manufacturing Easier

### Labour

Labour reforms

Skill Development

### Capital

Reduced cost of capital

FDI/FII in many sectors

### Logistics

Improved logistics infra

Dedicated Freight Corridor

### Ease of Business

Ease of entry / exit

Single window clearance

- ◆ Commitments of USD 176 billion<sup>1</sup> from countries like China, Japan and USA.

<sup>1</sup>Source: PAMPL research based on publicly available information and media reports.

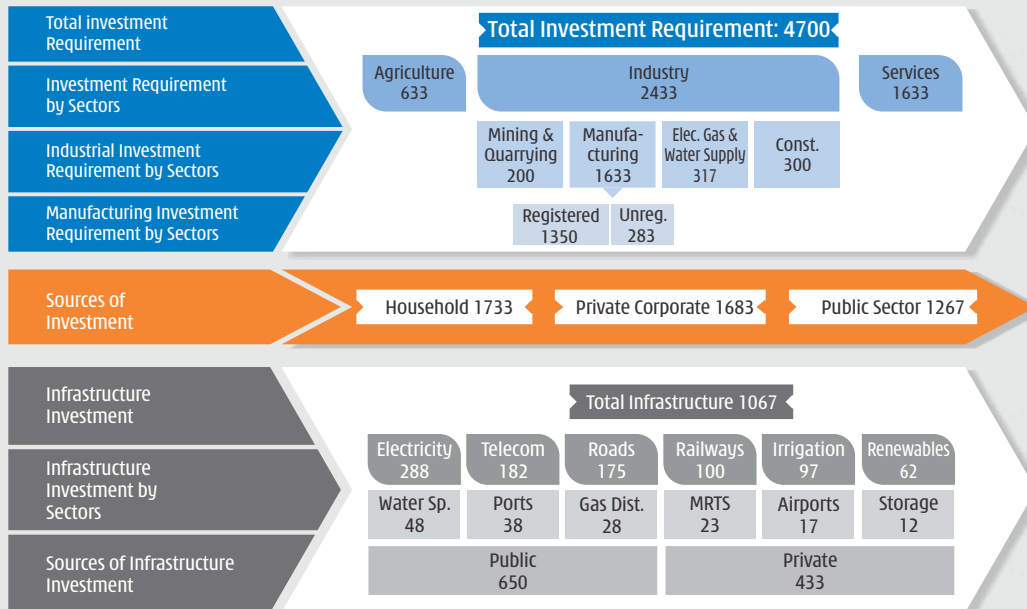
# The appetite is huge...



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- ◆ USD 4.7 trillion of investment required across sectors

## Investment Requirement in India during 2014/15-2018/19 (USD billion at current market price)



<sup>1</sup>Source: PAMPL research based on publicly available information and media reports.

# The revelers are many...



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- ◆ Make in India push will benefit 25 sectors across the economy.
- ◆ These efforts of Govt. will result in GDP expanding from current growth levels of 5.5% in FY16 to 6.2% in FY17, 7% in FY18 and ultimately reaching 8%-9% by FY20.



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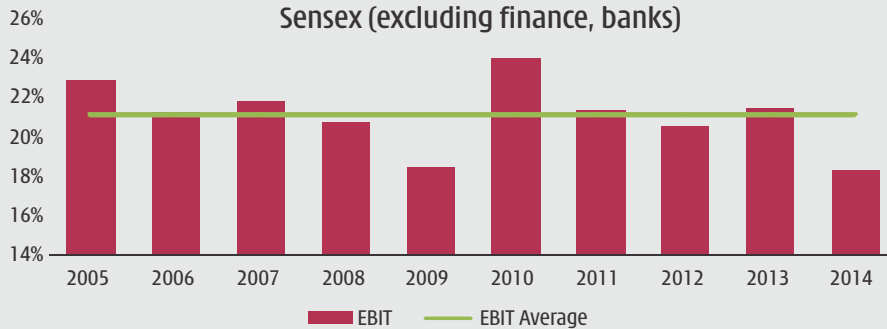
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# Growth In Corporate Earnings

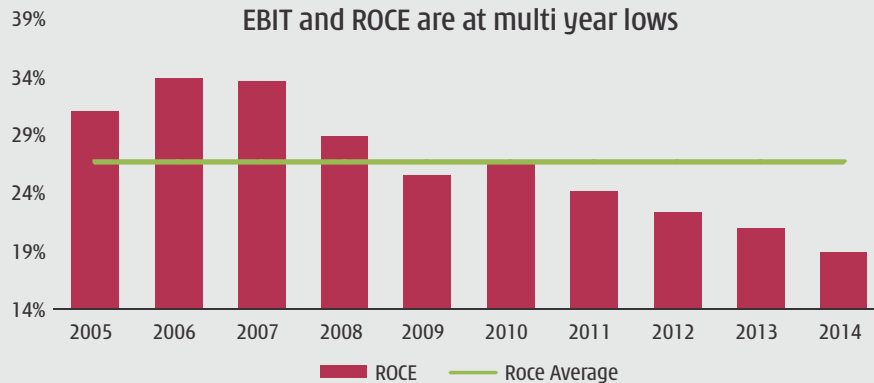
# Corporates will soon join the fun...



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- ◆ Corporate earnings will soon start looking up, as
  - ◆ Cost of capital goes down.
  - ◆ Commodity prices stay low.
  - ◆ Capital expenditure will follow.
  - ◆ Economy hits the growth path.





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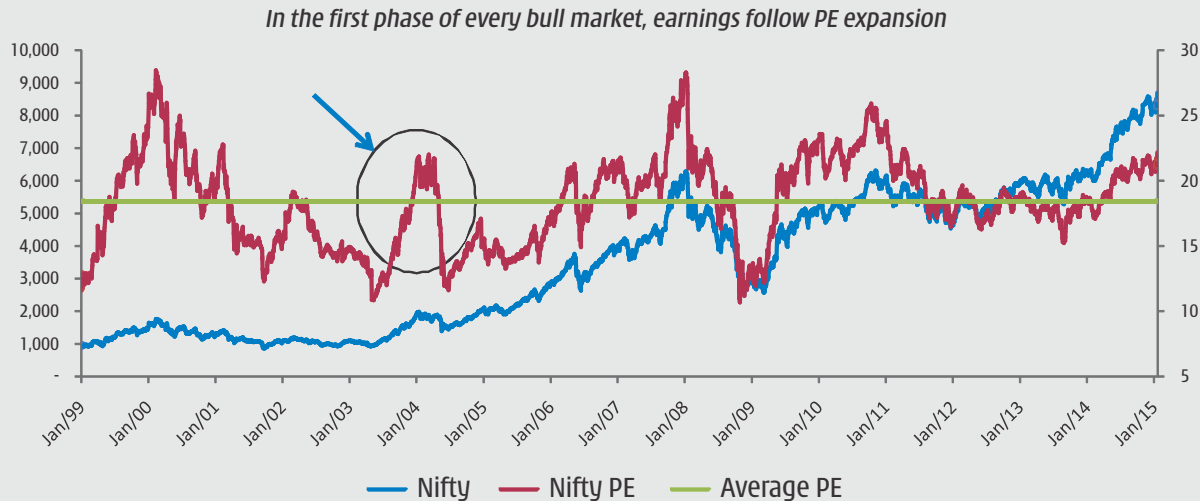
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# Markets Way Below Historical Peak Valuations

# The party has just started...



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- ◆ Recent rally was triggered by hope; will be sustained by earnings growth.

In the above chart, PE refers to Nifty PE and Average PE represents average of Nifty PE from Jan 1, 1999 till Jan 30, 2015.  
Data source: Nifty and Nifty PE from NSE.

# The guests are yet to arrive...



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- ◆ Markets at new highs, yet:
  - ◆ Returns from a 5 year perspective are still not very high.
  - ◆ Not all sectors have participated in the rally.

	CAGR	
Benchmarks	5 Years	PE Ratio
CNX Nifty Index	12.51%	22.48
S&P BSE 200	12.00%	20.41
S&P BSE SENSEX	12.26%	19.67
<b>Top 3</b>		
S&P BSE Consumer Durables	22.88%	132.42
S&P BSE FMCG	24.84%	42.82
S&P BSE Health Care	26.84%	29.9
<b>Bottom 3</b>		
S&P BSE Capital Goods	5.42%	35.12
S&P BSE Power Index	~6.18%	22.78
S&P BSE PSU	~2.83%	11.71
Data as on 30-01-2015		



## Presenting **Pramerica Diversified Equity Fund**


(An open ended equity scheme)

NFO Opens on : 11th Feb 2015

NFO Closes on : 25th Feb 2015




Scheme Re-opens on : 9th Mar 2015

**This product is suitable for investors who are seeking\***

- Capital appreciation over the long term.
- To generate income & capital appreciation by predominantly investing in an actively managed diversified portfolio of equity & equity related instruments including derivatives.
- High risk  (BROWN)

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

**Note: Risk may be represented as:**

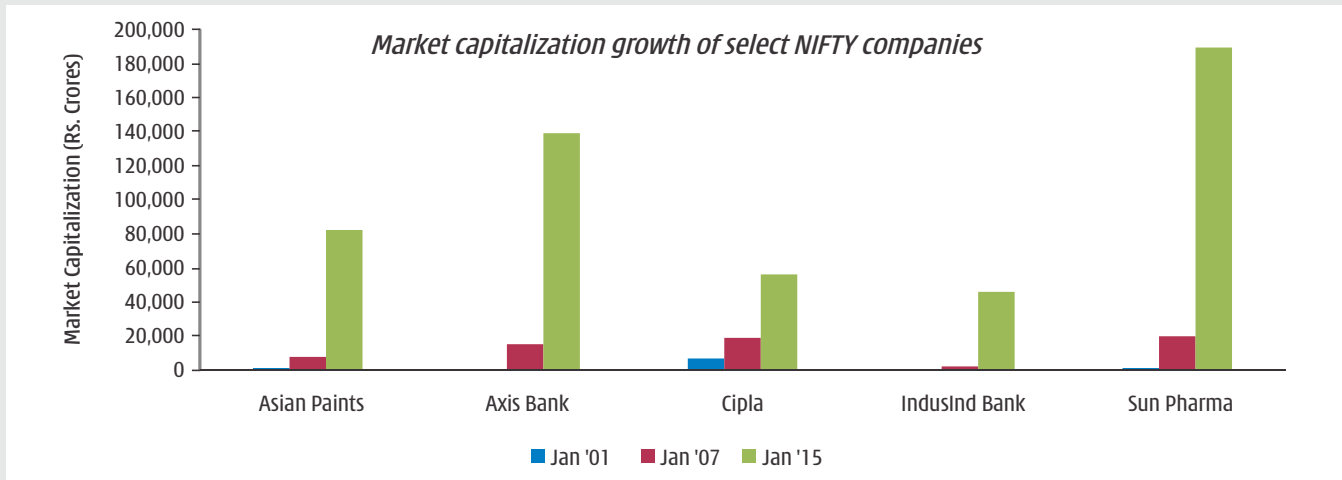
-  (BLUE) investors understand that their principal will be at low risk.
-  (YELLOW) investors understand that their principal will be at medium risk.
-  (BROWN) investors understand that their principal will be at high risk

# Why Diversified Equity Funds?



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- ◆ A diversified equity fund can capture multiple growth phases of a stock.
  - ◆ From small cap to mid cap to large cap.
  - ◆ Better placed than capitalization focused funds that would have to exit a stock when it changes capitalization bucket.



Source: Ace Equity

Disclaimer: The references of companies mentioned above are for illustration purpose only for providing an understanding of growth of market capitalization of companies over a period of time. It should not be considered as recommendation or opinion from Pramerica Asset Managers Private Limited/ Pramerica Mutual Fund on the above mentioned companies. The AMC/ Fund or its affiliates may or may not have any present or future position in the above companies.

# Why Pramerica Diversified Equity Fund?



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- ◆ Go anywhere approach will hunt for opportunity across market spectrum.
  - ◆ High conviction stocks across market caps and sectors.
- ◆ Can focus on companies which will benefit from the 'Make in India' push.
  - ◆ Strong earnings growth.
  - ◆ Improving financials.
  - ◆ Resulting in PE expansion.



## **BP SINGH, Executive Director & CIO - Equity**

- ◆ Over 18 years of experience in broad based investment management, including portfolio management of equity schemes with a bottom-up investment style.
- ◆ Master of Management Studies from S P Jain, Mumbai.

### **Past Experience**

- ◆ Chief Investment Advisor - BCP Advisors Pvt. Ltd.
- ◆ Has also worked as Managing Director with Atlantis Investment Advisors (India) Limited.
- ◆ Head of Equities - Deutsche AMC.



# Scheme Features



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## Type of Scheme

An Open Ended Equity Scheme

## Investment Objective

To generate income & capital appreciation by predominantly investing in an actively managed diversified portfolio of equity & equity related instruments including derivatives. However, there is no assurance that the investment objective shall be realized.

## Options

The Scheme shall offer two plans viz. Regular Plan and Direct Plan. Each Plan has two Options, viz., Growth Option and Dividend Option. Dividend Option has the following three facilities:

- Dividend Reinvestment facility;
- Dividend Payout facility;
- Dividend Transfer facility.

## Minimum Application Amount

Initial Purchase - Minimum of ₹ 5,000/- and in multiples of ₹ 1/- thereafter.  
Additional Purchase - Minimum of ₹ 500/- and in multiples of ₹ 1/ thereafter.

## Exit Load

Exit Load:

- If units are redeemed/ switched out on or before 365 days from the date of allotment - 1.00%;
- If units are redeemed/ switched out after 365 days from the date of allotment - Nil.

The entire exit load (net of service tax), charged, if any, shall be credited to the Scheme.

## Benchmark Index

S&P BSE 200 Index







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**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

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