

MAS Prime

for Wealth Preservation
& Growth

Email: pms@moneylife.in Website: <https://advisor.moneylife.in/pms>

Scheme Snapshot

- Category: Equity Diversified
- Type: Open ended
- Benchmark: Nifty
- Investment Horizon: 5+ years
- Fund Objective: Safety + Growth
- Fund Style: Multi-cap growth
- Minimum Investment: Rs25 lakhs

Investment Objective

- To be the best in class (top 10 percentile) under the following parameters:
 - Low Downside Risk
 - High Returns
 - Portfolio volatility

Investment Philosophy

- We believe, outsider shareholders, can never know enough about how companies are functioning; even managements are often clueless, or they lie.
- This risk is substantially removed by going for well-run and successful businesses – quality stocks.
- Risk of permanent loss of capital is low from these stocks.
- Such stocks also have lower volatility.
- However, these stocks always command high-valuations.
- Timing can make a big difference to returns.

Expected Return Drivers

- Security Selection
- Timing of Entry
- Timing of Exit
- Allocation to Cash
- Hedging

Investment Strategy - Dos

- Select stocks on the basis of
 - Long-term record of growth
 - Management quality
 - Stock price volatility
 - Cash flows
 - Return on asset
 - Valuation
 - Liquidity
- Bias towards larger companies.
- If we cannot find stocks that meet our criteria, we will remain in cash.
- Use derivatives to enhance returns.

Investment Strategy – Don'ts

- Avoid estimates of intrinsic value because we are not capable of calculating it.
- Avoid a contrarian positions.
- Avoid bias towards purely low-valuation stocks.
- Avoid high quality stocks if they are expensive by historical standards.
- Ignore narratives such as “themes”, “stories” or “megatrends” and “moats”.
- Avoid stocks that have any governance issues, have large debt or in commodity businesses.

Suitability

- Ideal for individuals and families that have already created a lot of wealth and keen to preserve it.
- Especially suitable for businesses, successful senior employees, or self-employed professionals such as doctors or lawyers.
- Suitable for those who are by nature conservative.
- Recommended investment horizon: 5 Years +

Operations & Reporting

Operations

- Investments managed on individual basis
- Third party custodian for funds and securities

Reporting

- Monthly performance statement
- Transaction, holding & corporate action reports
- Annual statement of account for tax filing.
- Valuation: Closing NSE prices of the previous day
- Web access for portfolio tracking

Fees

- Management fee: 1% asset under management
- Performance fee: 20% above the hurdle rate of 10%
- High-water Mark (HWM) principle: Applicable. For a clear understanding of HWM, please see <https://pms.moneylife.in/HighWaterMark.html>

Custody Model

- PMS under Rs500 crores were not required to have a custodian when we launched.
- However, as per best practices, started with custodian and independent fund accounting.
- Custodian safeguards your assets from all systemic risks.
- Custodian directly controls the funds / securities, under a fiduciary capacity only. Brokers, DPs, Banks, Advisors, Fund Managers – none of them can access your assets.

Custody Model

- Custodian will ensure reconciliations of accounts across DP / Bank / Brokerage Payable to brokers / Advisory fee payable.
- Custodian will track, report, realise, reconcile corporate actions such as dividends on your assets.
- Custodian will support on any voluntary corporation actions e.g. right issue, buy-back etc.
- Custodian will handle all funds / securities directly with the exchange.

Next Steps

1. Ask for the account opening pack.
2. Go through the documents in detail and sign at all marked places.
3. Send us the signed documents back along with signed copies of PAN, address proof and passport size photographs.
4. We will open the account within a week or so.
5. Send us funds or transfer the stocks.
6. We start managing your portfolio.