



"Discipline, Patience, Independent Thinking & Capital Allocation are the four pillars of our investment philosophy"

Siddharth Oberoi
Founder & CIO
 Prudent Equity

Dear Investor,

I welcome you on board the Prudent Equity Ace Fund. I would also like to express my sincere gratitude for the confidence and trust shown in our fund. As we embark on this investment journey, I would like to enumerate the investment path that your fund plans to undertake:

GACP model - The concept of investment as we understand and have inculcated in our investment process is to identify a growing company that is trading at a cheap price. We call it the GACP (growth at cheap price) approach. This calls for identifying a company's intrinsic value and buying it at a substantial discount to that value. Note, here we are looking for a company that has the potential to increase its intrinsic value in the foreseeable future at the same time available at extremely cheap valuation.

Risk control - Another aspect that your fund plans to follow is the control of risk at all levels. There are broadly two types of risks that we focus on:

a. Business risk

Through our more than two and a half decades of experience, we have created a checklist of businesses, industries, management and certain traits within a company that we avoid. Saying no to an investment that does not qualify our strict checklist is the first step in the process of disciplined investing. We also endeavour to abide by our strict checklist, which ensures only high-quality companies qualify in our portfolio.

b. Valuation risk

"Have the purchase price be so attractive that even a mediocre sale gives good returns"

That's exactly our motto while buying a stock. We will ensure that carefully chosen mispriced stocks are included in the portfolio. An extremely low purchase price (compared to its intrinsic value) is thus paramount in our investment criteria. A risk-reward ratio that is substantially in our favour is what we shall be pursuing in our quest for returns.

I would be writing to you every quarter, detailing the nuances of the portfolio, the liquidity position of the fund, future outlook as I envision, among other details.

Siddharth Oberoi
 Chief Investment Officer
 Prudent Equity ACE Fund



Name of the Fund	Prudent Equity Ace Fund
Investment Objective	The investment objective of the Fund is to invest in companies that increase the client's capital at high rates over a long-term period while employing less risk. The fund will also look to invest in debt instruments in accordance with the regulations
Type of Scheme	Open Ended
Type of Category	III
Exit Load	Nil
Date of Launch	16 th Dec, 2022
Fund Manager	Siddharth Oberoi
Benchmark	S&P BSE 500
Minimum Investment	Rs.1crore
Subscription Period	Fortnightly
Sponsor Commitment	Rs.10 crores

Portfolio Disclosure		
Name	Industry	Allocation
Cash	-	100%

Data as on 16th Dec, 2022



About Prudent Equity

We are a Gurugram based asset management company serving family offices, HNI's and retail investors since 2012. Since inception, Prudent Equity has focused on serving individuals, families and corporates by providing actionable advice on their equity investments.

We believe that intensive and elaborate research can generate exceptional investment returns. Some of the key characteristics we look for in an investment are:

- 1) Capital Allocation - Management demonstrating prudent allocation of capital over the years.
- 2) Margin of Safety - Buying at significant discount to intrinsic value.
- 3) Corporate Governance - Run by ethical management that treats minority at par.

Investments are done in stocks that meet our strict investment criteria. We do not shy away from sitting on cash unless a security meets our proprietary investment criteria.

Our professional, certified team brings expertise and experience from various investment backgrounds. Our Chief Investing Officer brings 27 years of full-time proprietary investment experience.

Statutory Details

Prudent Equity Private Limited (“PEPL”) is registered under SEBI (Research Analyst) Regulations, 2014 as a Research Analyst vide Registration No. INH100009488. PEL is also an Investment Manager to Prudent Equity ACE Fund – Category III which is registered with SEBI as Alternate Investment Fund under SEBI (Alternative Investment Funds) Regulations, 2012 vide Registration No: IN/AIF3/22-23/1139.



Disclaimer

The views expressed herein are the personal views and constitute only the opinions and do not constitute any guidelines or recommendation on any course of action to be followed by the readers. This information is meant for general reading purpose only and is not meant to serve as a professional guide for the readers. This document has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. The Sponsor, Prudent Equity Private Limited (PEPL) or any of their respective directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information. Whilst no action has been solicited based upon the information provided herein, due care has been taken to ensure that the facts are accurate and opinions given fair and reasonable. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information should rely on information/data arising out of their own investigations. Readers are advised to seek independent professional advice and arrive at an informed investment decision before making any investments.

PEPL or any of their respective directors, employees, affiliates or representatives shall not be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this material.

Risk factors: Investments in securities are subject to market risks. There are no assurances or guarantees that the objectives of any of the Products will be achieved. The investments may not be suited to all categories of investors. The value of the Portfolios can go up or down depending on various market factors. Past performance of the Investment Manager does not indicate the future performance of the Products or any other future Products of the Investment Manager. Investors are not being offered any guaranteed or indicative returns through any of the Products. The names of the Products do not in any manner indicate their prospects or returns. The performance of the Products may be adversely affected by the performance of individual companies, changes in the market conditions, micro and macro factors and forces affecting capital markets in particular like interest rate risk, credit risk, liquidity risk and reinvestment risk. The Investment Manager is not responsible or liable for any loss resulting from the operations of the Products/ Portfolios.

The information or material (including any attachment(s) hereto) (collectively, "Information") contained herein does not constitute an inducement to buy, sell or invest in any securities in any jurisdiction and Prudent Equity Private Limited is not soliciting any action based upon information. Prudent Equity and/or its directors and employees may have interests/positions, financial or otherwise in securities mentioned here. This information is intended to provide general information to Prudent Equity clients on a particular subject or subjects and is not an exhaustive treatment of such subject(s). This information has been prepared based on information obtained from publicly available, accessible resources and Prudent Equity is under no obligation to update the information. Accordingly, no representation or warranty, implied or statutory, is made as to the accuracy, completeness or fairness of the contents and opinion contained herein. The information can be no assurance that future results or events will be consistent with this information. Any decision or action taken by the recipient based on this information shall be solely and entirely at the risk of the recipient. The distribution of this information in some jurisdictions may be restricted and/or prohibited by law, and persons into whose possession this information comes should inform

Prudent Equity Private Limited

Second Floor, Unit No.210,211 SS Plaza, Sector -47, Gurugram, Haryana -122018,
 Phone: 9355164449, 9911804449 Email: aif@prudentequity.com
 Website: www.prudentequity.com