



"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.



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