

PEERLESS LONG TERM ADVANTAGE FUND

(An Open Ended Equity Linked Savings Scheme)



What is Peerless Long Term Advantage Fund?

Peerless Long Term Advantage Fund is an open ended equity linked savings scheme (i.e. ELSS), which will have a diversified equity portfolio.

Why should I invest in this type of Fund i.e. ELSS?

Investing in ELSS has several advantages. They are as follows

- ✓ Tax Saving - You can save tax up to INR 46,350* if you invest to INR 1,50,000 in ELSS scheme as these schemes are eligible for exemption u/s 80C of Income Tax Act, 1961.
- ✓ Better Liquidity as compared to other Tax saving instruments - ELSS has only 3 yrs lock-in whereas other traditional instruments have minimum 5 - 15 years of lock - in.
- ✓ Wealth Creation through Equity - Equity as an asset class has a proven record of beating inflation over longer time horizon (e.g. 5 years and more). Hence, for creating wealth, equity oriented funds should form a part of one's portfolio.

Equity investment is risky. Also short term volatility is very high in equity. Hence I fear that I would lose my money.

Yes, equity investment is riskier than other traditional instruments. Empirical evidence suggests that volatility of equity greatly reduces if you go for longer horizon. Fortunately in ELSS, the lock-in period of 3 years is a blessing in disguise. The lock in period ensures that short term market volatility is ignored and focus is only on creating wealth in the long term. Our study indicates that the longer you stay invested in equity, lesser is the chance of losing money.

I can't determine when to invest in equity funds? Market is quite volatile and also reached its all time high couple of month back.

Timing the market is next to impossible. Our study indicates that equity investment held for longer term tend to create wealth, which is far in excess than volatility. However, in short term, volatility factor may erode the value of your investment and this is particularly true if you invest directly in equity stocks. In equity funds, you are less likely to have such experience as the fund is managed by professional fund managers.

How much I can invest in this fund? Can it be more than Rs. 1,50,000?

You can invest as much as you can. However, as per section 80C of IT Act, you can save tax for an investment amount upto Rs. 1,50,000 in ELSS.

If my spouse / child invest in this, can I get the tax benefit?

You can get, provided your spouse or child are dependent on you i.e. they do not earn any income under the five broad heads of income u/s 14 of Income Tax Act, 1961. However the investment amount will be clubbed with the limit of Rs. 1,50,000 of yours.

Well, if the fund declares the dividend in between the 3 years lock – in, will that be tax free?

Yes it will be tax free.

Can I withdraw the money before 3 years lock-in? If so what would be the tax implication?

No, one cannot withdraw the investment amount before 3 years. However, in case of sudden death of the primary applicant during that lock-in period, the nominee or legal heir, as the case maybe, shall be able to withdraw the investment only after the completion of 1 year from the date of allotment. In that case, as per the current tax laws long term capital gain tax will be applicable.

Why I should invest in Peerless Long Term Advantage Fund?

Peerless Long Term Advantage Fund is an ELSS where investments up to Rs. 1,50,000 is eligible for tax deductions u/s 80 C. Being an equity fund the scheme would endeavour to achieve performance over a long period of time that may beat inflation as well as other popular asset classes like fixed income and gold.

The fund would endeavour to create wealth purely from stock picking strategy rather than traditional sectoral rotation.

*Assuming your yearly income is more than Rs. 1,000,000 after all deduction u/s 10. This income amount is falling @ 30.9% tax bracket

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Where will the fund invest?

The asset allocation pattern will be:

Instruments	Indicative Allocation		Risk Profile
	Minimum	Maximum	Low/Medium/High
Equity and Equity Related Instruments	80%	100%	High
Debt and Money Market Instruments	0%	20%	Low to Medium

What would be the investment strategy in picking equity stocks?

We spend a lot of time understanding the industry dynamics and business model of the company; its financial strength and discipline towards use of capital; and most importantly integrity of promoter/ management towards running the company and treating its minority shareholders. We focus on RoCE and Free cash flows for manufacturing companies and on RoE and RoA for financial companies. Based on these we derive a score named PSFS i.e. Peerless Score of Financial Strength** to select better managed companies.

How would the scheme's performance be evaluated?

The schemes performance would be compared with its benchmark-S&P BSE 100 Index.

Is there any exit load?

No, there is no exit load. However, to get the Tax benefit under section 80C you have to stay invested in this fund for 3 years i.e. lock-in period of 3 years

How can I invest in this fund?

Investing in Peerless Long Term Advantage fund is quite easy. All you have to do is download the Application Form from our website, fill it up and then send those to our official acceptance points (details can be found on the back side of the form). You will also have to enclose a cheque of investment amount along with the necessary KYC documents (in case you are a first time investor).

Alternatively, you can also approach your financial advisor / MF distributor for investment. Investor can also apply through ASBA facility, which requires submission of the form.

Can I switch in to this Fund from my existing scheme of Peerless Mutual Fund?

Yes you can. However, you should give your switch-out request before the cut off time.

Can I do SIP?

Yes you can do SIP. For this, you will have to fill up SIP form (which is available with the Application form) and attach a cheque of first installment amount.

**PSFS: It is a unique proprietary stock selection filter used by Peerless Fund Management team. PSFS, acronym of Peerless Score of Financial Strength is a matrix of numbers ranges from 0 to 30. These numbers are arrived by using RoE and RoA (for banks, NBFC type companies) and RoCE, Free Cash Flows (for manufacturing companies). Typically a company with PSFS more than 18 is included in the portfolio.

RoE: Return on Equity. [RoE = Net Income/Shareholder's Equity]

RoA: Return on Asset. [RoA = Net Income / Total Assets]

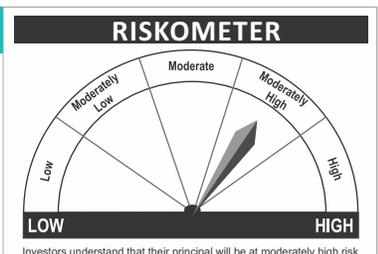
RoCE : Return on Capital Employed [RoCE = Earning Before Interest and Tax (EBIT) / Total Capital Employed]

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This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investment in Equity & equity related instruments

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



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MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.