



PGIM

**India Portfolio
Management Services**

Small today.
Large tomorrow.

PGIM INDIA
PHOENIX STRATEGY





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Portfolio Manager

From the desk of the Portfolio Manager for PGIM India Phoenix Strategy

Dear Investor,

In this newsletter, we wish to discuss and reflect on the quarterly results and some recent updates on the portfolio.

Q2 FY 20 performance of companies in the portfolio

Company	Q1 FY2019				Q1 FY 2020				Growth				Sectors
	Revenue/ NII	EBITDA/ PPoP	PAT	EPS	Revenue/ NII	EBITDA/ PPoP	PAT	EPS	Revenue/ NII	EBITDA/ PPoP	PAT	EPS	
Bajaj Consumer Ltd	205.7	60.6	51.7	3.5	211.2	62.2	57.3	3.9	3%	3%	11%	11%	Consumer
Kewal Kiran Clothing	152.3	47.8	33.6	27.2	166.7	37.8	31.6	25.6	9%	-21%	-6%	-6%	Consumer
DCB Bank Ltd	281.8	146.1	73.4	2.3	313.4	184.5	91.4	2.9	11%	26%	25%	26%	Banks
Federal Bank Ltd	1022.5	697.6	266.0	1.3	1123.8	718.8	416.7	2.1	10%	3%	57%	56%	Banks
Oracle Financial Services	1213.3	498.8	352.0	40.9	1162.5	518.4	358.8	41.7	-4%	4%	2%	2%	IT
Hexaware Technologies	1209.6	202.3	172.2	5.7	1481.3	237.7	183.6	6.1	22%	17%	7%	7%	IT
Mahanagar Gas	696.5	226.9	139.8	14.2	783.6	273.4	213.9	21.7	13%	20%	53%	53%	Utilities
D B Corp Ltd	582.1	92.3	46.2	2.6	531.4	98.4	75.6	4.3	-9%	7%	64%	65%	Media
Dhanuka Products Ltd	383.4	75.6	55.0	11.2	402.0	73.4	60.0	12.6	5%	-3.0%	9%	12%	Agrochemicals
Sobha Ltd	658.7	140.2	61.4	6.4	783.9	257.4	67.0	7.1	19%	84%	9%	11%	Real Estate
Oberoi Realty Ltd	592.1	295.8	212.7	6.3	491.5	212.9	133.6	4.0	-17%	-28%	-37%	-37%	Real Estate
Ashiana Housing Ltd.	68.1	5.0	2.7	0.3	72.7	-8.0	-9.1	-0.9	7%	-261%	-438%	-438%	Real Estate
Kirloskar oil engine	851.3	71.6	40.8	2.8	818.2	55.7	40.2	2.8	-4%	-22%	-2%	-2%	Manufacturing
Kirloskar Brothers limited	673.9	17.5	-7.8	-1.0	720.5	26.1	-7.4	-0.9	7%	49%	-5%	-6%	Manufacturing
Apar Industries Ltd	1884.7	108.9	28.6	7.5	1829.1	109.5	33.9	8.9	-3%	1%	19%	19%	Manufacturing
Cummins India Ltd.	1486.9	250.9	211.6	7.6	1308.4	152.5	183.3	6.6	-12%	-39%	-13%	-13%	Manufacturing
NOCIL	272.0	79.8	52.9	3.2	209.7	48.5	54.9	3.3	-23%	-39%	4%	3%	Manufacturing
Mayur Uniquoters	160.9	33.4	24.3	5.4	130.9	22.9	21.9	4.8	-19%	-31%	-10%	-11%	Manufacturing
Carborundum	659.6	108.3	64.8	3.4	684.3	104.4	64.5	3.4	4%	-4%	0%	0%	Manufacturing
CCL products	290.8	76.3	47.2	3.5	298.7	61.6	42.1	3.2	3%	-19%	-11%	-9%	Manufacturing
Ahluwalia Contracts (India) Ltd	439.2	57.4	31.2	4.7	417.3	38.3	12.6	1.9	-5%	-33%	-60%	-60%	Construction
Great Eastern Shipping Co Ltd	799.5	253.0	-223.8	-14.8	817.6	319.6	-18.9	-1.3	2%	26%	92%	91%	Shipping
Himatsingka Seide Ltd	666.0	121.3	52.8	5.4	643.8	130.9	34.1	3.5	-3%	8%	-35%	-35%	Exports
JB Chemicals & Pharmaceuticals Ltd*	435.3	81.5	51.3	6.1	456.4	100.3	93.6	11.7	5%	23%	82%	90%	Pharmaceuticals
ONGC Ltd	27989.0	15788.7	8264.6	6.6	24492.6	13290.0	6263.0	5.0	-12%	-16%	-24%	-24%	Commodities
MOIL	357.8	146.3	105.1	4.1	253.1	83.1	88.6	3.4	-29%	-43%	-16%	-16%	Commodities

Source of data: Company fillings

1. Consumer space, Banks, utilities, IT and pharmaceuticals are the sectors where the results were decent and till now the impact of slow growth in economy has not impacted the companies much.
2. Manufacturing was the sector where maximum disappointments were there and the fall in auto sales and general manufacturing is having a big negative impact. Manufacturing is a cyclical space and our expectations are that, once the revival happens this would be the sector which would have maximum improvement in margins and revenue growth.
3. Commodities, again have a tough phase as global growth has been slow and demand supply is not balanced and there is excess of supply. We have two companies ONGC and MOIL, both have high margins and have strong balance sheet and valuations are cheap.
4. The largest weightage in one particular stock we have is Great Eastern Shipping. The results were better YoY and improvement in both tankers and offshore side of the business is visible. Based on the prevailing charter rates we expect marked improvement in Q3 and Q4 of FY 20. The company has completed its buy back and has bought back 38,10,581 shares.
5. In case of real estate the important thing to look for is new home sales and we have seen flattish to downward trajectory in this quarter for our companies. We remain confident for the long term prospects of the companies and expect increasing consolidation in the sector and larger and disciplined players to benefit from the consolidation.



Portfolio updates:

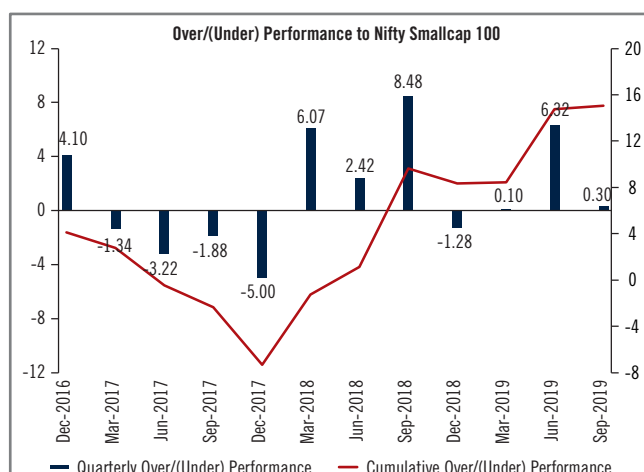
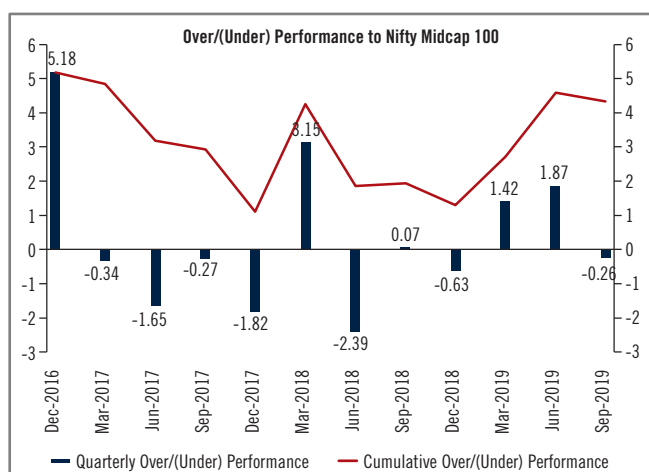
1. There has been a buyback offer announced by the company in MOIL and JB Chemicals at Rs 152 and Rs 440 per share. The buyback is through tender offer and at a premium to the current market prices and we have decided to tender the shares in the buyback.
2. We have sold all long term shares in Prestige Estates as the price had significantly risen and we were getting worried about the high and increasing leverage and large unsold inventory. We have bought shares of Ashiana housing in place of Prestige Estate.
3. In case of Pokarna there was an increase in countervailing duty from 4.32% to 83.79% in USA which is the main market for Pokarna. As a result of increased uncertainty in business prospects in its major market we decided to sell our shares of Pokarna.

Yours Sincerely.



PGIM INDIA PHOENIX STRATEGY

KEY PORTFOLIO PERFORMANCE INDICATORS



Performance depicted as at the above stated date is based on all the client portfolios under PGIM India Phoenix Strategy existing as on such date, using Time Weighted Rate of Return (TWRR) of each client and then computing an arithmetic average for the overall strategy. Past performance may or may not be sustained in future.

Top 15 Holdings of PGIM India Phoenix Strategy as on November 30th, 2019

Date of Purchase	Equity	Sector	%
Aug-2016	Great Eastern Shipping Co Ltd	Shipping	6.98%
Aug-2016	Federal Bank Ltd	Banks	5.52%
Apr-2018	Mahanagar Gas Ltd	LPG/CNG/PNG/LNG SUPPLIER	5.40%
Aug-2016	JB Chemicals & Pharmaceuticals Ltd	Pharmaceuticals	5.18%
Sep-2016	Oracle Financial Services Software Ltd	IT Services / Products	4.59%
Mar-2018	Cummins India Ltd	Engineering	3.59%
Apr-2017	Hexaware Technologies Ltd	Computers - Software	3.57%
Aug-2016	Oberoi Realty Ltd	Residential/Commercial/Sez Project	3.54%
May-2019	Dhanuka Agritech Ltd	Pesticides And Agrochemicals	3.48%
Mar-2019	Bajaj Consumer Care Ltd	Personal Care	3.40%
Aug-2016	Ahluwalia Contracts India Ltd	Cement Products	3.37%
Aug-2016	Sobha Ltd	Residential/Commercial/Sez Project	3.35%
Sep-2016	D B Corp Ltd	Printing And Publishing	3.24%
Sep-2016	Apar Industries Ltd	Power Equipment	3.15%
May-2017	MOIL Ltd	Industrial Minerals	3.01%
	Total		61.37%

Model Portfolio Details

Portfolio Details as on November 30th, 2019	
Weighted average RoE	14.85%
Portfolio PE (1-year forward) (Based on FY 20)	14.41
Portfolio dividend yield	1.97%

Portfolio Composition as on November 30th, 2019	
Large Cap	3.00%
Mid Cap	21.50%
Small Cap	69.75%
Cash	5.75%

Large Cap: Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on November 30th, 2019

Midcap: Market cap below 100th company to the market cap of the 250th company in the Nifty 500 (sorted by market cap in descending order) as on November 30th, 2019

Small Cap: Market cap lower than the 250th company in the nifty 500 (sorted by market cap in descending order) as on November 30th, 2019

The above holding represents top 15 holdings of PGIM India Phoenix Strategy based on all the client portfolios under PGIM India Phoenix Strategy existing as on the date stated above, excluding any temporary cash investments. The above holdings do not represent the model portfolio being offered to the clients (including prospective clients) and hence it is possible that these stocks may not be part of the portfolios constructed for new clients. The above holdings are for illustration purpose only and it should not be considered as investment recommendation or analysis or advice or opinion from the Portfolio Manager on the above mentioned stocks. The above portfolio holdings are provided on an "as is" basis, and the Portfolio Manager makes no express or implied warranties or representations with respect to the accuracy, completeness, reliability, or fitness of the above portfolio holdings or any financial results you may achieve from their use. In no event shall the Portfolio Manager, its directors or employees or its affiliates have any liability relating to the use of the portfolio holdings.



PGIM India Phoenix Strategy Portfolio Performance as on November 30th, 2019

Period	Portfolio	Nifty Midcap 100	Nifty Smallcap 100
1 Month	-0.95%	4.51%	1.88%
3 Months	-0.65%	11.08%	8.08%
6 Months	-14.69%	-3.55%	-11.92%
1 Year	-7.96%	-0.99%	-5.78%
2 Year	-9.88%	-7.29%	-18.29%
3 Year	2.83%	5.42%	0.30%
Since Inception Date 01/08/2016	2.92%	4.72%	-1.36%
Portfolio Turnover Ratio*	15.40%		

*Portfolio Turnover ratio for the period December 1st, 2018 to November 30th 2019

Calendar Year Performance of PGIM India Phoenix Strategy

Calendar Year	Portfolio Performance	Nifty Midcap 100	Nifty Smallcap 100
01-08-2016 to 31-12-2016	1.08%	-2.85%	-5.01%
CY 2017	42.13%	47.26%	57.3%
CY 2018	-12.72%	-15.42%	-29.08%
CY 2019 till 30-11-2019	-11.39%	-3.66%	-9.84%
01-08-2016 to 30-11-2019	2.92%	4.72%	-1.36%

Important Disclosures regarding the consolidated portfolio performance: Performance depicted as at the above stated date is based on all the client portfolios under PGIM India Phoenix Strategy existing as on such date, using Time Weighted Rate of Return (TWRR) of each client and then computing an arithmetic average for the overall strategy. Past performance is no guarantee of future returns. The above portfolio performance is after charging of expenses (as depicted above). Return for period upto 1 year is absolute. Since inception date stated is considered to be the date on which the first client investment was made under the strategy. Please note that the actual performance for a client portfolio may vary due to factors such as expenses charged, timing of additional flows and redemption, individual client mandate, specific portfolio construction characteristics or other structural parameters. These factors may have impact on client portfolio performance and hence may vary significantly from the performance data depicted above. Neither the Portfolio Manager, nor its directors or employees shall in any way be liable for any variation noticed in the returns of individual client portfolios. The Portfolio Manager does not make any representation that any investor will or is likely to achieve profits or losses similar to those depicted above.

Investment objective of PGIM India Phoenix Strategy: The objective of the strategy is to generate capital appreciation over the long term by investing in a portfolio of equity of Indian companies

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