



**PGIM**

**India Portfolio  
Management Services**

Small today.  
Large tomorrow.

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**PGIM INDIA**  
**PHOENIX STRATEGY**





**Himanshu Upadhyay,**  
Portfolio Manager

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

Dear Investor,

The month of March 2020 has been extremely tough for markets. In terms of scale, speed and severity, the impact of Covid 19 on the global economy is something that has not been seen in many decades globally. Your investment in the Phoenix portfolio was also impacted with -28% return for the month of March and -29.9% for the first quarter of this calendar year post expenses. It has been one of the sharpest falls we have seen in the markets in recent periods.

The outbreak, its rapid spread and the subsequent lockdown, have dealt a big shock to the global economy. It will, however, take a few months to get a clear understanding of the complete impact on society as a whole, new business trends that may emerge and also the impact on the overall economy. Hence, we expect the uncertainty to continue for some time.

Equity is a ray of hope between the assets and the liabilities (debt) of a company. In downturns, and especially in the deflationary scenarios, the value of assets fall while the liabilities remain constant leading to erosion in the value of equities. The companies that have high debt on the balance sheet or have huge debt-funded capex plans are at highest risk of mortality in such a phase. We have been consciously avoiding such companies by focusing on companies with a healthy balance sheet. We believe that companies in the Phoenix portfolio will be able to negotiate and survive the challenges created by the sharp slowdown on the back of the strength of the balance sheet. Out of 25 companies in the Phoenix Portfolio, 15 companies have cash on the balance sheet, two are banks and the rest have manageable debt. All companies in the portfolio are dividend-paying companies.

The portfolio continues to be a mix of structural growth opportunities as well as businesses that are likely to turn around. Most changes made in the portfolio are incremental in nature. We have added to our existing positions in Sobha, Oracle Financial, Cummins, GESCO, Mayur Uniquoters, MOIL, DCB, Federal Bank, Ashiana Housing, GESCO, and Hexaware. We have exited Bajaj Consumer from all portfolios.

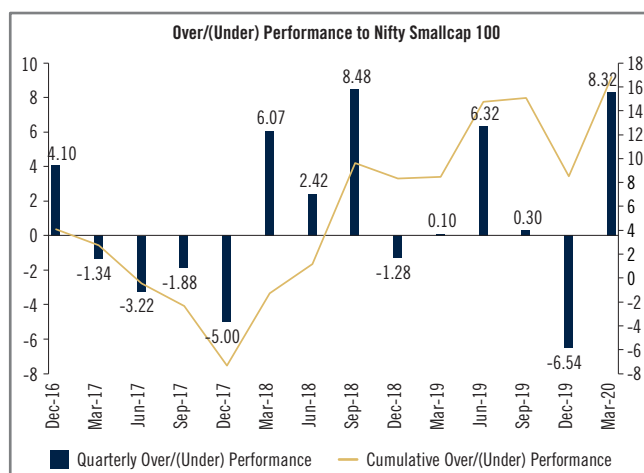
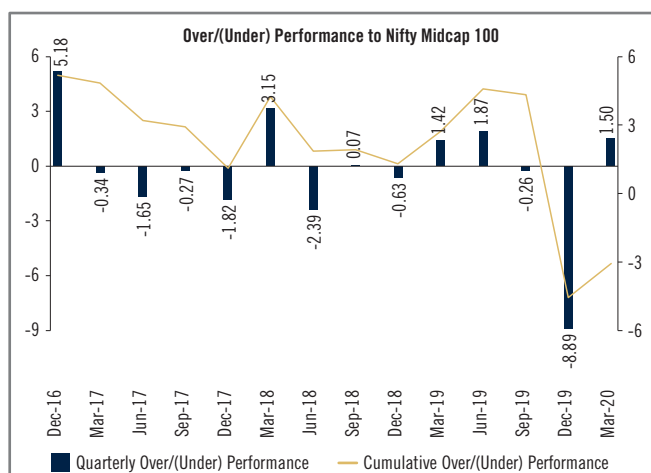
While there is no clarity on how things will pan out in the future we believe that your portfolio is invested in a well-diversified manner in companies that are likely to survive and grow even in the given business environment. We are aware that given the severity of the impact even the companies in the portfolio could get exposed to risks from unknown quarters. We are continuously monitoring and evaluating the scenario. In the event of any changes of fundamental nature impacting the companies in the portfolio, we will not hesitate to change our minds and exit the positions.

Yours Sincerely.



# PGIM INDIA PHOENIX STRATEGY

## KEY PORTFOLIO PERFORMANCE INDICATORS



Performance depicted as at the above stated date is after charging of expenses and 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. Past performance may or may not be sustained in future.

### Top 15 Holdings of PGIM India Phoenix Strategy as on March 31st, 2020

Date of Purchase	Equity	Sector	%
Aug-2016	JB Chemicals & Pharmaceuticals Ltd	Pharmaceuticals	8.27%
Aug-2016	Great Eastern Shipping Co Ltd	Shipping	7.10%
May-2019	Dhanuka Agritech Ltd	Pesticides And Agrochemicals	5.73%
Sep-2016	Oracle Financial Services Software Ltd	IT Services / Products	5.34%
Apr-2018	Mahanagar Gas Ltd	LPG/CNG/PNG/LNG SUPPLIER	5.30%
Apr-2017	Hexaware Technologies Ltd	Computers - Software	4.01%
Oct-2016	CCL Products India Ltd	Tea & Coffee	3.96%
Oct-2016	DCB Bank Ltd	Banks	3.93%
Aug-2016	Federal Bank Ltd	Banks	3.87%
Mar-2018	Cummins India Ltd	Engineering	3.73%
May-2017	MOIL Ltd	Industrial Minerals	3.68%
Jul-2017	Mayur Uniquoters Ltd	Textiles	3.48%
Aug-2016	Oberoi Realty Ltd	Residential/Commercial/ Sez Project	3.37%
Sep-2016	Apar Industries Ltd	Power Equipment	3.35%
Jan-2018	Oil & Natural Gas Corporation Ltd	Oil Exploration	3.11%
	<b>Total</b>		<b>68.23%</b>

### Model Portfolio Details

Portfolio Details as on March 31st, 2020	
Weighted average RoE	14.39%
Portfolio PE (1-year forward) (Based on FY 20)	9.11
Portfolio dividend yield	3.24%

Portfolio Composition as on March 31st, 2020	
Large Cap	3.00%
Mid Cap	24.50%
Small Cap	62.25%
Cash	10.25%

**Large Cap:** Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on March 31st, 2020

**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 March 31st, 2020

**Small Cap:** Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on March 31st, 2020

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 March 31st, 2020

Period	Portfolio	Nifty Midcap 100	Nifty Smallcap 100
1 Month	-28.01%	-30.28%	-36.66%
3 Months	-30.07%	-31.57%	-38.39%
6 Months	-31.39%	-26.97%	-35.74%
1 Year	-38.55%	-35.90%	-46.13%
2 Year	-23.07%	-21.00%	-32.06%
3 Year	-13.47%	-12.04%	-19.86%
Since Inception Date 01/08/2016	-6.51%	-6.15%	-13.38%
Portfolio Turnover Ratio*	16.47%		

\*Portfolio Turnover ratio for the period April 1st, 2019 to March 31st, 2020

## 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	40.71%	47.26%	57.30%
CY 2018	-12.50%	-15.42%	-29.08%
CY 2019	-10.46%	-4.32%	-9.53%
CY 2020 till 31-03-2020	-30.07%	-31.57%	-38.39%
01-08-2016 to 31-03-2020	-6.51%	-6.15%	-13.38%

Performance is calculated on Time Weighted Rate of Return (TWRR) basis

**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. 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 live 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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