



PGIM

**India Portfolio
Management Services**

Small today.
Large tomorrow.

PGIM INDIA
PHOENIX PORTFOLIO





Himanshu Upadhyay,
Portfolio Manager

The Beginning of the Growth Story

Dear Investor,

The stocks from the Midcap and Smallcap segment have rallied sharply over the last six months. The companies from the Phoenix Portfolio have not participated to the fullest in the rally. In the month of October, Phoenix Portfolio underperformed, delivering - 0.52% vs the +0.49% of Nifty Midcap 100 index. The top three contributors were from the Real Estate theme with Sobha (up 31%), Oberoi (up 12%) and Ashiana (9%). Top three detractors for the month Kirloskar Brother (-11%), CCL Products (-9%) and MOIL (-8%).

We have been holding exposure to Real Estate as a theme. We believe that the regulatory changes like RERA, GST work to the advantage of bigger players with a more robust balance sheet. A long down cycle has paved the way for the consolidation in favour of larger players with weaker players getting marginalized. Return of the buyer interest in Real Estate and sales activity in Q2 have brought the Real Estate shares in the limelight. In our opinion, it marks the beginning of a long structural growth story.

Our ground checks point to improved business conditions in the manufacturing segment. Company managements are suggesting that China + 1 strategy of global clients and governments push to Make In India is showing encouraging signs. Despite the positive change in the business environment on the ground level, our manufacturing and industrial holdings contributed negatively during the month. As the economic recovery gains momentum, we are confident that the businesses from the segments will incrementally fare better and offer an opportunity of wealth creation in the medium term. MOIL despite reporting topline growth of 21% in the Sep quarter saw some correction. Given the valuations and the cash-rich position of the firm, we will continue to hold the position.

The other theme that saw a correction during the month was Agri and tyres segment with all three Dhanuka, Goodyear and Nocil (rubber chemicals majorly for tyres) not faring well. Our conviction on farm-essentials and crop-care segment remains strong with growth prospects for multiple years.

We are critically evaluating the businesses from the portfolio and expect to undertake some changes. The idea is to balance out the portfolio construction with a mix of businesses that are beneficiaries of long-term trends and some medium-term trends.

Wishing you a very Happy Diwali!

Stay safe.

Yours Sincerely.



Top 15 Holdings of PGIM India Phoenix Portfolio as on October 30th, 2020

Date of Purchase	Equity	Sector	%
Aug-2016	JB Chemicals & Pharmaceuticals Ltd	Pharmaceuticals	6.48%
Sep-2016	Oracle Financial Services Software Ltd	IT Services / Products	6.07%
Aug-2016	Great Eastern Shipping Co Ltd	Shipping	5.89%
May-2019	Dhanuka Agritech Ltd	Pesticides And Agrochemicals	5.61%
Jul-2017	Mayur Uniquoters Ltd	Textiles	4.39%
Mar-2018	Cummins India Ltd	Engineering	4.19%
Oct-2016	CCL Products India Ltd	Tea & Coffee	4.12%
Aug-2016	Federal Bank Ltd	Banks	3.73%
May-2017	MOIL Ltd	Industrial Minerals	3.69%
Aug-2016	Sobha Ltd	Residential/Commercial/Sez Project	3.68%
Apr-2018	Mahanagar Gas Ltd	LPG/CNG/PNG/LNG SUPPLIER	3.62%
Aug-2016	Oberoi Realty Ltd	Residential/Commercial/Sez Project	3.54%
Oct-2019	Ashiana Housing Ltd	Residential/Commercial/Sez Project	3.48%
Aug-2018	Carborundum Universal Ltd	Abrasives	3.27%
Sep-2016	Apar Industries Ltd	Power Equipment	3.07%
	Total		64.83%

Model Portfolio Details

Portfolio Details as on October 30th, 2020	
Weighted average RoE	11.70%
Portfolio PE (1-year forward) (Based on FY 20)	13.13
Portfolio dividend yield	2.70%

Portfolio Composition as on October 30th, 2020	
Large Cap	3.00%
Mid Cap	21.25%
Small Cap	69.75%
Cash	6.00%

Large Cap: Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on October 30th, 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 October 30th, 2020

Small Cap: Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on October 30th, 2020

PGIM India Phoenix Portfolio Performance as on October 30th, 2020

Period	Portfolio	Nifty Midcap 100	Nifty Smallcap 100
1 Month	-0.52%	0.49%	-0.07%
3 Months	4.32%	10.78%	17.10%
6 Months	19.66%	26.40%	42.69%
1 Year	-6.38%	2.91%	1.59%
2 Year	-6.62%	0.59%	-1.33%
3 Year	-6.91%	-4.44%	-11.89%
Since Inception Date 01/08/2016	1.14%	3.46%	-1.05%
Portfolio Turnover Ratio*	26.03%		

*Portfolio Turnover ratio for the period November 1st, 2019 to October 30th, 2020

The above holding represents top 15 holdings of PGIM India Phoenix Portfolio based on all the client portfolios under PGIM India Phoenix Portfolio 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 Portfolio - Annualised Performance as on October 30th, 2020

	Current Year April 1, 2020 to October 30, 2020	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
PGIM India Phoenix Portfolio	34.62%	-38.70%	-3.73%	9.49%
Benchmark - NIFTY MIDCAP 100	45.82%	-35.90%	-2.66%	9.07%

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

Important Disclosures regarding the consolidated portfolio performance: The performance related information provided herein is not verified by SEBI. Performance depicted as at the above stated date is based on all the client portfolios under PGIM India Phoenix Portfolio 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 Portfolio: The objective of the portfolio is to generate capital appreciation over the long term by investing in quality Mid and Small Cap Indian companies.

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