



**PGIM**

India Portfolio  
Management Services

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**PGIM INDIA**  
**PHOENIX PORTFOLIO**





**Himanshu Upadhyay,**  
Portfolio Manager

## A challenging month

Dear Investor,

September has been a tough month with the portfolio delivering -2.68% versus 1.8% for Nifty Midcap 100 and 4.19% for Nifty Smallcap 100. JB Chemicals was the top performing stock and was up 22%, Hexaware was up 15% and Nocil was up 12%. The laggards for the month were Sobha which was down 18%, Federal down by 14% and MGL down by 15% (Dividend paid by Mahanagar was 2% of the stock price in the month of September).

The data for September has improved quite materially both month on month and in some parameters year on year as well, and it seems that the economy is getting back on track. The situation as we are seeing it currently: -

1. Power Demand across India fell marginally 1.5% in Q2FY21 and Sep'20 witnessed a 2.7% YoY rise in power demand.
2. Significant improvement in auto sales has been reported in the month of September 2020.
3. The headline PMI has increased to 56.8 in September from 52 in August and is the highest since 2012.
4. GST collection has increased by 4% YoY to Rs 95480 cr in the month of September.
5. E-way bills generation in September was well above the pre-covid generations and the highest since April 2019. Generation in September grew by 10% YoY compared to -3% in August.
6. FASTag toll collection improved by 13% MoM in September and is back at February'20 levels.
7. Petrol sales rose to 2.2 million tonnes in September as compared to 2.16 million tonnes in the same month last year and 1.9 million tonnes during August 2020. Diesel sales continue to be in negative territory, with demand falling 7% year-on-year but the demand was 22% higher over August 2020.

Overall improvement is visible in companies like Sobha where we have seen strong growth. Sales in value terms are now equal to second quarter sales last year. In August, DB Corp saw readership climbing back to 76% of the pre-covid level. Naturally it is positively impacting the advertisements from retail where the numbers are back to 90% of the previous year. In our opinion as stability emerges in the economy and gets more settled, the narrowness in market movements will spread across the sectors and we expect the companies in our portfolio to do much better.

### Portfolio Update:

We have sold JB Chemical as the stock price was way ahead of the buyback price of Rs 745 and also the weightage in the portfolio had reached 6% which is beyond our normal comfort.

In the case of Hexaware the discovered price of delisting came at Rs 475 and we have sold our shares. The ex-date of Dhanuka buyback was 25 September and details of tendering are awaited.

The cash in the portfolios is high because we have exited Hexaware and booked profits in JB Chemicals and we hope to add in some new opportunities and deploy the cash in existing opportunities.

Yours Sincerely,



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

Date of Purchase	Equity	Sector	%
Aug-2016	JB Chemicals & Pharmaceuticals Ltd	Pharmaceuticals	5.68%
Aug-2016	Great Eastern Shipping Co Ltd	Shipping	5.50%
Sep-2016	Oracle Financial Services Software Ltd	IT Services / Products	5.30%
May-2019	Dhanuka Agritech Ltd	Pesticides And Agrochemicals	5.11%
Jul-2017	Mayur Uniquoters Ltd	Textiles	4.21%
Oct-2016	CCL Products India Ltd	Tea & Coffee	4.06%
Mar-2018	Cummins India Ltd	Engineering	3.84%
May-2017	MOIL Ltd	Industrial Minerals	3.59%
Apr-2018	Mahanagar Gas Ltd	LPG/CNG/PNG/LNG SUPPLIER	3.40%
Aug-2016	Federal Bank Ltd	Banks	3.21%
Oct-2019	Ashiana Housing Ltd	Residential/ Commercial/Sez Project	2.88%
Aug-2016	Oberoi Realty Ltd	Residential/Commercial/ Sez Project	2.82%
Aug-2016	Ahluwalia Contracts India Ltd	Cement Products	2.81%
Sep-2016	Apar Industries Ltd	Power Equipment	2.79%
Oct-2016	DCB Bank Ltd	Banks	2.56%
	<b>Total</b>		<b>57.76%</b>

### Model Portfolio Details

Portfolio Details as on September 30th, 2020	
Weighted average RoE	10.39%
Portfolio PE (1-year forward) (Based on FY 20)	11.21
Portfolio dividend yield	2.65%

Portfolio Composition as on September 30th, 2020	
Large Cap	2.50%
Mid Cap	20.00%
Small Cap	64.00%
Cash	13.50%

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

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

### PGIM India Phoenix Portfolio Performance as on September 30th, 2020

Period	Portfolio	Nifty Midcap 100	Nifty Smallcap 100
1 Month	-2.68%	1.80%	4.19%
3 Months	7.20%	15.50%	26.18%
6 Months	35.48%	45.11%	61.99%
1 Year	-7.27%	5.97%	4.10%
2 Year	-6.30%	-0.50%	-2.70%
3 Year	-5.38%	-2.11%	-8.43%
Since Inception Date 01/08/2016	1.31%	3.40%	-1.05%
Portfolio Turnover Ratio*	27.04%		

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

	Current Year April 1, 2020 to September 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	35.48%	-38.70%	-3.73%	9.49%
Benchmark - NIFTY MIDCAP 100	45.11%	-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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