



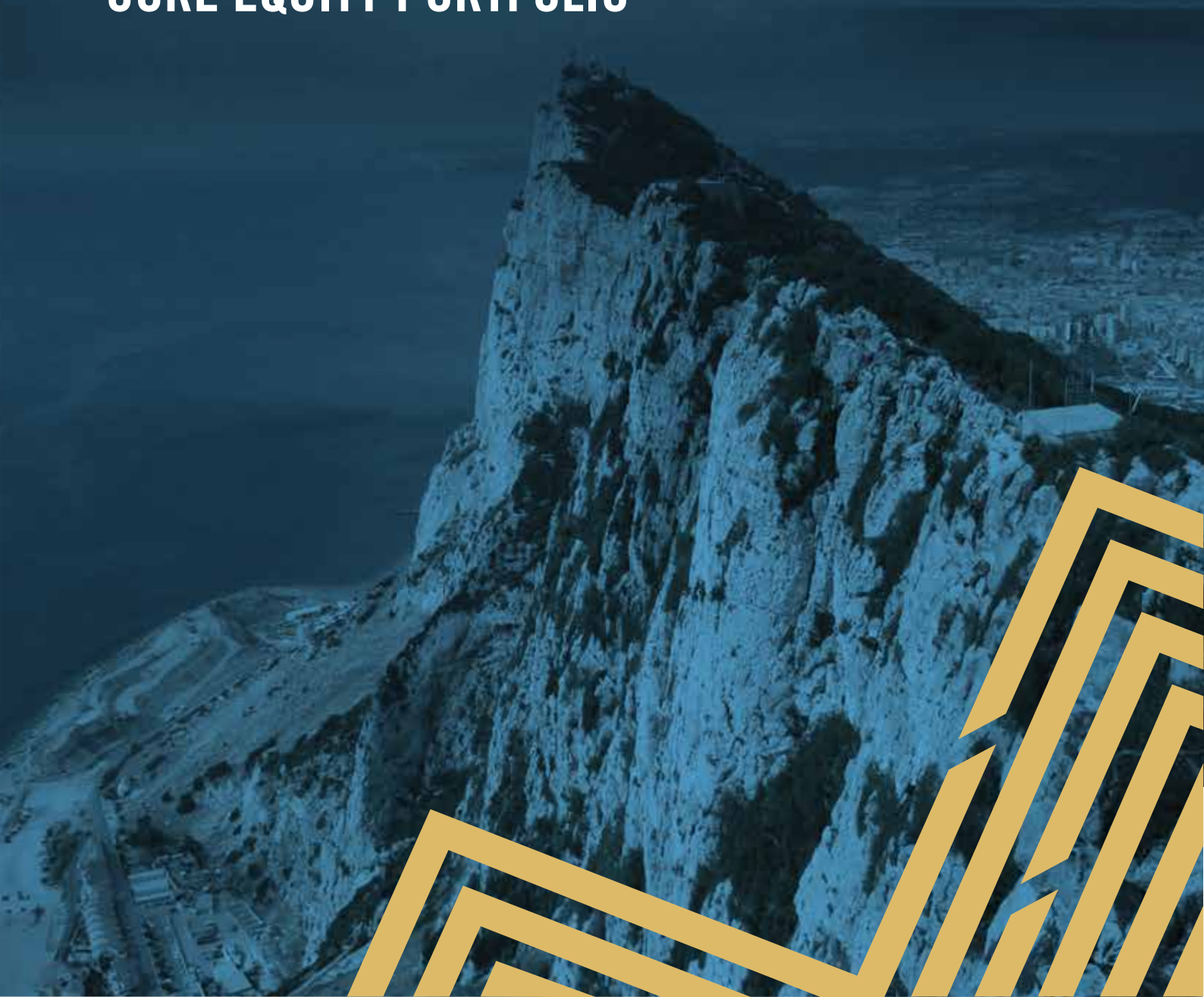
**PGIM**

India Portfolio  
Management Services

Stable core.  
Strong portfolio.

---

**PGIM INDIA**  
**CORE EQUITY PORTFOLIO**





**Surjitt Singh Arora,**  
Portfolio Manager

**Positive growth potential to aid investors with a 3 to 5-year view, in the current scenario.**

Dear Investor,

Our portfolio has delivered a return of 1.4% vs -2.9% for CNX Nifty 500 during the month of Nov'21, thereby outperforming the benchmark by 430bps. The stocks which aided our outperformance were KEI industries, Timken India, Navin Fluorine, Power Grid Corporation and CRISIL.

In the last 3 months, our portfolio has delivered a return of 3.1% vs 0.6% for CNX Nifty 500, thereby outperforming the benchmark by 250bps. In terms of sectoral attribution, our over-weight stance on Industrials (incl. Capital Goods) & Consumption and our under-weight call on Financials, aided our outperformance. The top performing stocks were Timken India, KEI Industries, Vardhaman Textiles, Bata, VST Tillers & Tractors, and CRISIL. The stocks which impacted our performance were Cummins, Indraprastha Gas (IGL) and ITC .

Our focus has been on companies with sustainable earnings growth potential coupled with prudent capital allocation and efficiency. The stocks that have been added in the last three months to the portfolio are in-line with the above, for instance Timken India, KEI Industries, Phoenix Mills, HDFC Ltd, and Navin Fluorine. These have started contributing to the portfolio returns.

On a one-year basis, the portfolio delivered a return of 37.8% vs 36.6% for CNX 500, outperforming the benchmark by 120bps. The outperformers were SBI, Vardhaman Textiles, Bharat Electronics, Cummins, and VST Tillers & Tractors. Stocks that dragged our performance were Oracle Financial Services, MCX, Cipla and Indraprastha Gas (IGL).

As mentioned earlier, we invest in structurally strong companies and those that are termed as good quality companies. A good quality company is a company that has reached a minimum scale in terms of revenue, has gone through at least one downcycle and emerged as a stronger company with consistency in cash flows and higher return on capital employed over the last 10 years.

Second aspect has been to always own companies which are market leaders in a particular domain. We have over a period of time seen that market leaders generally tend to come back stronger with higher market share after the downturn compared to weaker players who usually vanish in the downturn. All stocks which have a large weightage in the portfolio, currently, like SBI, Bharat Electronics, Cummins, HDFC Ltd, Vardhaman Textiles, Phoenix Mills, etc. were bought with the above mentioned thought process in mind.

Companies with strong brands, pricing power, larger economies of scale and cost leadership continue to be a part of our portfolio. We continue to be positive on Industrials as we expect the capex cycle to pick-up pace. In addition, we are bullish on the real estate sector.

### **Market Outlook**

While the tapering by the US Fed, high global energy prices, new variant of the Corona Virus, and rising yields are cause for some concern, we believe that the long-term prospects remain healthy for Equities in general and India in particular. Importantly, corporate India's balance sheet has improved substantially over the recent years. Though we remain positive on medium to long term potential of equities, we believe stock picking will be a critical element in return generation.

In this context of expected gradual economic recovery and the assumption of a smooth vaccination drive, we continue to build our portfolios around earnings stability and identifying stocks with the potential to beat earnings expectations, thus providing the alpha. Our portfolio is being built on the themes of Consumption, Digitization, Real Estate and Healthcare along with a few recovery plays. Our strategy to invest in structurally strong companies with good cash flows, balance sheet strength and corporate governance, continues.

We continue to believe that investors with a 3 to 5-year view would benefit from investing in the current scenario.

Yours Sincerely



### Top 15 Holdings of PGIM India Core Equity Portfolio Discretionary Portfolio Regular Plan as on November 30th, 2021

Date of Purchase	Equity	Sector	%
Sep-2015	State Bank of India	Financials	6.09%
Sep-2021	Phoenix Mills Ltd	Real Estate	5.81%
Oct-2017	Power Grid Corporation Of India Ltd	Utilities	5.32%
Dec-2019	Vardhman Textiles Ltd	Consumer Discretionary	5.12%
Sep-2021	Timken India Ltd	Industrials	5.08%
Jun-2015	ITC Ltd	Consumer Staples	4.96%
Sep-2021	KEI Industries Ltd	Industrials	4.68%
May-2018	Bharat Electronics Ltd	Industrials	4.66%
Sep-2021	HDFC Ltd	Financials	4.65%
Aug-2013	Cummins India Ltd	Industrials	4.63%
Sep-2021	Asian Paints Ltd	Materials	4.59%
Sep-2021	ACC Ltd	Materials	4.38%
Jan-2016	Oracle Financial Services Software Ltd	Information Technology	4.33%
Oct-2021	Navin Fluorine International Ltd	Materials	3.90%
Aug-2018	Cipla Ltd	Health Care	3.86%
	<b>Total</b>		<b>72.06%</b>

### Model Portfolio Details

#### Portfolio Details as on November 30th, 2021

Weighted average RoCE	21.52%
Portfolio PE (2-year forward) (Based on FY 23)	26.84
Portfolio dividend yield	1.34%
Average age of companies	66 Years

#### Portfolio Composition as on November 30th, 2021

Large Cap	44.00%
Mid Cap	37.00%
Small Cap	17.00%
Cash	2.00%

**Large Cap:** Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on November 30th, 2021

**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, 2021

**Small Cap:** Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on November 30th, 2021

### PGIM India Core Equity Portfolio - Performance as on November 30th, 2021

Period	Portfolio	NIFTY 500	NIFTY 50
1 Month	1.37%	-2.91%	-3.90%
3 Months	3.13%	0.64%	-0.87%
6 Months	12.18%	10.75%	8.99%
1 Year	37.80%	36.66%	30.95%
2 Years	18.47%	22.16%	18.67%
3 Years	13.30%	17.15%	16.01%
5 Years	10.79%	15.66%	15.61%
Since Inception Date 08/07/2013	15.75%	14.98%	13.49%
Portfolio Turnover Ratio*	43.85%		

\*Portfolio Turnover ratio for the period December 1st, 2020 to November 30th, 2021

The above holding represents top 15 holdings of PGIM India Core Equity Portfolio - Regular Portfolio based on all client portfolios 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 Core Equity Portfolio - Annualised Performance as on November 30th, 2021

	Current Year April 1, 2021 to November 30, 2021	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
PGIM India Core Equity Portfolio	19.94%	53.25%	-23.66%	3.79%
Benchmark - NIFTY 500	18.96%	75.99%	-27.60%	8.43%

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 the Regular Portfolio of 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 Core Equity Portfolio:** PGIM India Core Equity Portfolio seeks to generate returns by investing in a portfolio of quality companies that are available at reasonable valuations and have the potential of superior wealth creation over long term.

**Disclaimers and risk factors:** PGIM India Asset Management Private Limited is registered with SEBI (Portfolio Managers) Regulations, 1993 [as repealed and superseded by SEBI (Portfolio Managers) Regulations, 2020]. This Document is for information purpose only. This Document and the Information do not constitute a distribution, an endorsement, an investment advice, an offer to buy or sell or the solicitation of an offer to buy or sell any securities/ schemes or any other financial products/investment products (collectively "Products") mentioned in this Document or an attempt to influence the opinion or behavior of the Investors/Recipients. Any use of the information contained herein for investment related decisions by the Investors/ Recipients is at their sole discretion & risk. Please read the Disclosure Document and the agreement along with the related documents carefully before investing. Investments in Products are subject to market risks, various micro and macro factors and forces affecting the capital markets and include price fluctuation risks. There is no assurance or guarantee/ warranty that the objectives of any of the Products will be achieved. The investments may not be suited to all categories of Investors/ Recipients. Investors/ Recipients must make their own investment decisions based on their own specific investment objectives, their financial position and using such independent professional advisors, as they believe necessary, before investing in such Products. The Client can avail the Portfolio Management Services directly from the Portfolio Manager without any recourse to distributors.

© 2020 Prudential Financial, Inc. (PFI) and its related entities. PGIM, the PGIM logo, and the Rock symbol are service marks of PFI and its related entities, registered in many jurisdictions worldwide.

**This document is strictly confidential and meant for private & restricted circulation only and should not at any point of time be construed to be an invitation for subscribing to PGIM India Core Equity Portfolio. The document is solely for the understanding of intended recipient and if you are not the intended recipient, you are hereby notified that any use, distribution, reproduction or any action taken or omitted to be taken in reliance upon the same is prohibited and may be unlawful.**

This document is dated December 07, 2021.

C244/2021-22

