



PGIM

India Portfolio
Management Services

Stable core.
Strong portfolio.

PGIM INDIA
CORE EQUITY PORTFOLIO





Himanshu Upadhyay,
Portfolio Manager

Conviction pays off

Dear Investor,

The Core Equity Portfolio outperformed both, Nifty 50 and CNX 500, in the month of June 21. The portfolio delivered 4.56% returns versus 0.89% by Nifty 50 and 1.87% by CNX 500 for the month. The top three contributions came from CRISIL (up 31%), Bharat Electronics (up 22%) and Cummins & Jagran Prakashan (up 14%). The bottom three performers were, ITC, Engineers India both down 6% and GESCO down 5% in the month.

The last six months have been good for the CEP. The Portfolio is up by 23.37% versus 12.44% for Nifty and 16.98% for the CNX 500. The first signs of change started becoming visible from January 21 when the portfolio was up by 1.24% versus 2.48% fall in Nifty and 1.87% fall in Nifty500. Since then, the performance has been on an improving trend.

Period	Portfolio	Nifty	CNX500
1 Month	4.56%	0.89%	1.87%
3 Months	11.80%	7.02%	9.42%
6 Months	23.37%	12.44%	16.98%
1 Year	44.30%	52.60%	58.98%

Performance as of 30th June 2021.

The last 18 months have been a masterclass in investing. The period once again reiterated the importance of holding on to a conviction. The current performance has not come without its share of ups and downs. In March 21, the portfolio was beating the benchmark by more than 5%. In the run-up we were cautious and held cash of @14% which was deployed in the fall by adding weightages to the existing holdings and adding two new stocks, Suprajit and CRISIL.

Portfolio Performance

Period	Portfolio	Nifty	CNX500
1 Month	-20.90%	-28.48%	-28.80%
3 Months	-25.05%	-33.88%	-33.23%
6 Months	-22.67%	-28.55%	-27.83%
1 Year	-25.93%	-30.58%	-31.27%

Portfolio performance as of 31st March 2020.

The 9 months from April to December 2020, were a tough period for us, where the strategy lagged CNX 500 by 19% and Nifty by 18% (For the period). The stocks we held were slow to participate in the upmove, severely impacting performance. It prompted a re-evaluation of our holdings. On careful evaluation we concluded that the companies that we held were leaders in the business with competent management, having strong balance sheets, good scope of business in the future and were available for cheap valuations. The assessment proved to be correct as the very same stocks - State Bank of India, Cummins, Vardhman Textiles, Bharat Electronics, Thermax, and Suprajit Engineering - have rewarded handsomely in the subsequent period.



From the desk of the Portfolio Manager for PGIM India Core Equity Portfolio

	Price		1 yr change	
	Jun-21	Jun-20	Change	Nifty 500
STATE BANK OF INDIA	419.2	178.5	135%	58.74%
CUMMINS INDIA LTD	899.5	392.4	129%	58.74%
VARDHMAN TEXTILES LTD	1367.4	651.3	110%	58.74%
BHARAT ELECTRONICS LTD	178.0	88.7	101%	58.74%
THERMAX LTD	1484.4	755.0	97%	58.74%

Portfolio updates

We have sold out Container Corporation from the portfolio as, in our assessment, it had reached its fair value.

We have added Kaveri Seeds to the portfolio in the month of June 2021. It is in the business of agriculture seeds and gets its major revenue from cotton, rice, maize, and vegetables. The penetration of hybrid seeds is still very low in the country and over next few years we believe the penetration of hybrid seeds will increase and Kaveri, being a well-diversified player both geographically and crop-wise, should benefit from the improved penetration of hybrid and improved variety of seeds for crop. It has a strong balance sheet and in last 5 years it has consistently generated over 25% EBITDA which should help it to spend consistently in R&D and look out for growth opportunities.

The portfolio continues to stick to the philosophy of buying good quality companies at reasonable valuations. Such companies were available mainly in the manufacturing space. After a long wait the sector rotation has just started. Many of our stocks are still very cheap and the business is improving for them. Hence, we remain optimistic about the future of the portfolio.

Yours Sincerely



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

Date of Purchase	Equity	Sector	%
May-2018	Bharat Electronics Ltd	Industrial Electronics	7.27%
Sep-2015	State Bank of India	Banking / Financial Services	6.02%
Aug-2013	Cummins India Ltd	Engineering	5.16%
Jun-2015	ITC Ltd	FMCG	5.07%
Jan-2016	Oracle Financial Services Software Ltd	IT Services / Products	4.86%
Oct-2017	Power Grid Corporation Of India Ltd	Power- Transmission	4.84%
Aug-2013	Great Eastern Shipping Co Ltd	Shipping	4.43%
Jul-2016	Rallis India Ltd	Pesticides And Agrochemicals	4.22%
Aug-2018	Cipla Ltd	Pharmaceuticals	4.18%
Mar-2015	Castrol India Ltd	Lubricants / oils	3.73%
Dec-2019	Vardhman Textiles Ltd	Spinning-Cotton/ Blended	3.67%
Jul-2013	Indraprastha Gas Ltd	City Gas Distribution	3.58%
Aug-2018	Thermax Ltd	Industrial Equipment	3.33%
Aug-2015	Sun Pharmaceutical Industries Ltd	Pharmaceuticals	3.09%
Mar-2020	Suprajit Engineering Ltd	Auto Ancillaries	3.05%
	Total		66.50%

Model Portfolio Details

Portfolio Details as on June 30th, 2021	
Weighted average RoCE	28.78%
Portfolio PE (1-year forward) (Based on FY 21)	17.23
Portfolio dividend yield	2.06%
Average age of companies	61 Years

Portfolio Composition as on June 30th, 2021	
Large Cap	36.75%
Mid Cap	31.00%
Small Cap	26.50%
Cash	5.75%

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

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

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

Period	Portfolio	NIFTY 500	NIFTY 50
1 Month	4.56%	1.87%	0.89%
3 Months	11.80%	9.42%	7.02%
6 Months	23.37%	16.98%	12.44%
1 Year	44.30%	58.98%	52.60%
2 Years	14.17%	18.10%	15.47%
3 Years	11.31%	13.71%	13.63%
5 Years	10.00%	14.06%	13.66%
Since Inception Date 08/07/2013	15.62%	14.62%	13.14%
Portfolio Turnover Ratio*	16.82%		

*Portfolio Turnover ratio for the period July 1st, 2020 to June 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 June 30th, 2021

	Current Year April 1, 2021 to June 30th, 2021	April 1, 2020 to March 31st, 2021	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
PGIM India Core Equity Portfolio	11.78%	53.51%	-23.79%	3.79%	5.34%
Benchmark - NIFTY 500	9.42%	75.99%	-27.60%	8.43%	11.47%

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.

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