

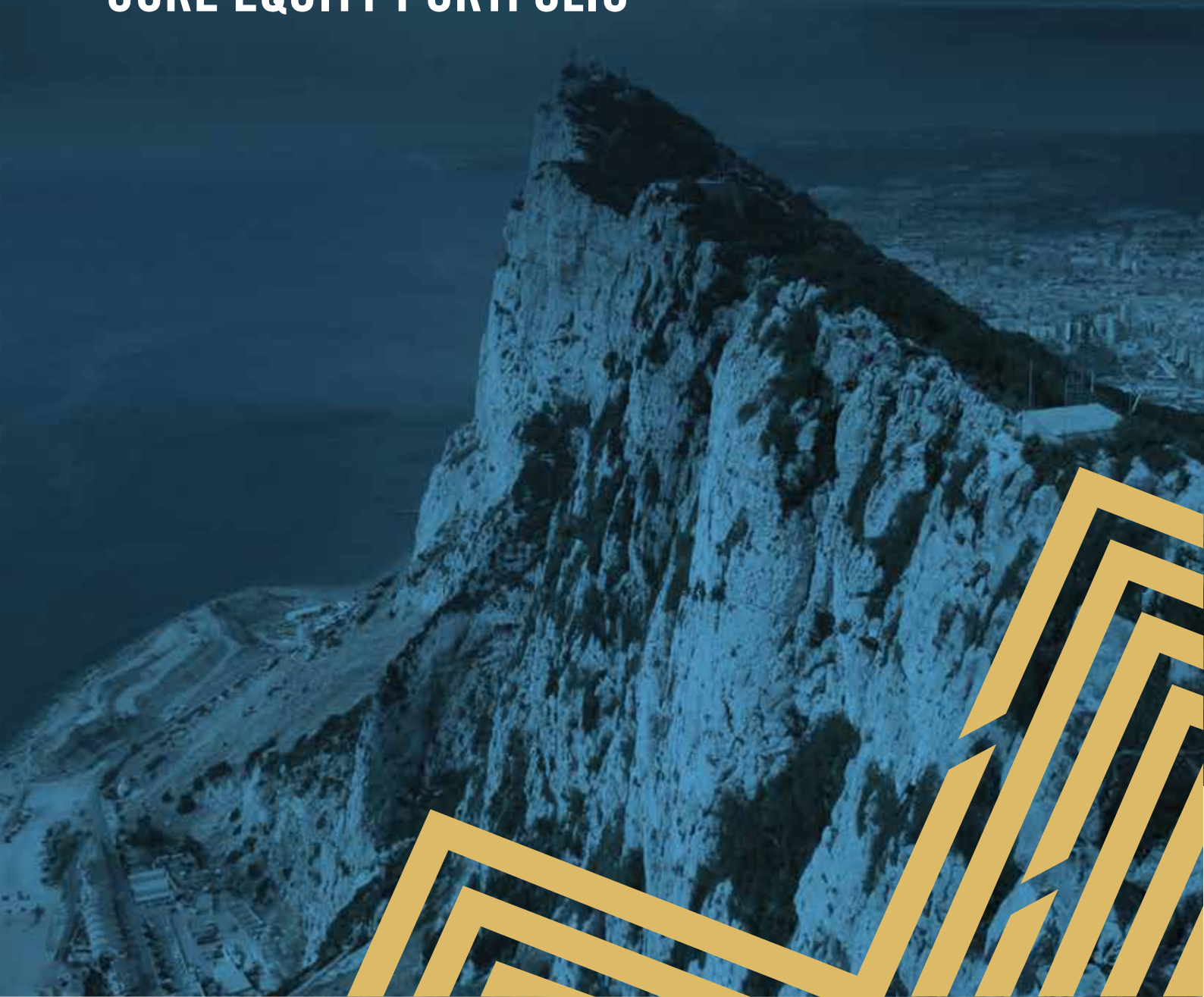


PGIM

India Portfolio
Management Services

Stable core.
Strong portfolio.

PGIM INDIA
CORE EQUITY PORTFOLIO





Himanshu Upadhyay,
Portfolio Manager

Month of outperformance

Dear Investor,

The Core Equity Portfolio (CEP) outperformed Nifty as well as Nifty 500 in the month of February. The CEP delivered a return of 8.66% versus 6.56% by Nifty 50 and 7.78% by Nifty 500 during the month. The top positive contributors for the month were Jagran Prakashan (up 45%), SBI and Suprajit, both up by 38%, and Thermax (up 37%). The laggards for the month were MCX (down 8%), TCS (down 7%) and Rallis (down 6%)

Portfolio updates:-

After a considerable wait, the last three months have been very interesting and encouraging for the portfolio. Ten stocks from the portfolio have delivered more than 20% when the Nifty 500 index is up by 13.6%. Some of the portfolio stocks that have delivered a stellar performance over the last three months include

	Name of the stock	Price		
		28-Feb-21	30-Nov-20	3 month change
1	STATE BANK OF INDIA	390.2	244.3	60%
2	THERMAX LTD	1359.4	893.4	52%
3	JAGRAN PRAKASHAN LTD	59.7	39.8	50%
4	SUPRAJIT ENGINEERING LTD	285.6	195.9	46%
5	VARDHMAN TEXTILES LTD	1184.0	815.2	45%

We had built our portfolio with a rationale that sector rotation is imminent in the market as the valuations have become very expensive for a few sectors and many of the yester years' favorite sectors will face increasing headwinds. We have continuously highlighted in the past that there are strong businesses beyond consumption and financials, and especially in the manufacturing sector. These businesses are market leaders, with strong moats, long-term earning power and our estimation was that the value of business won't get affected by the pandemic in a big way. Hence we chose to invest more rather than exiting them in panic or because the stock prices were not moving. Finally, that patience is now paying off in some of these stocks. So what has changed for these stocks? Clearly the narrative in the market. Our hypothesis that for next few years there will be tailwinds for manufacturing sector is finding a wider acceptance across market participants. India lags many developing countries in this sector. The sector has huge potential for job creation and in our assessment government focus is going to increase. We have already seen the government launching schemes like Production Linked Incentives (PLI) for various sectors, pushing labor reforms and reducing corporate tax rates. The government's focus on "Atmanirbhar Bharat" across various sectors offers longer term growth potential in the manufacturing sector and the Core Equity Portfolio is aligned to benefit from these tailwinds.

The other interesting development for us is that one of our holdings, Indraprastha Gas Ltd., has become a 10-bagger for the portfolio in less than 8 years since we first purchased the stock in 2013. We look at the growth potential and margin of safety in valuations. If both are favorable, we are happy to hold on to the position.

The wealth creation by IGL validates the fact that good businesses, run by competent management, with huge scope of growth and moats bought cheap under a period of hyper uncertainty in the market can be a good return generator over a long period of time even if it is a PSU. This has been our approach and we will continue to follow the same in line with the mandate of the product.

Suprajit Engineering and Jagran Prakashan have announced a buyback. Suprajit buyback is a tender-driven buyback and we will be participating in it. Jagran Prakashan is a buyback from the market and currently we are of the view that we should not participate in the buyback as the buyback price is not very attractive.

Yours Sincerely



**Top 15 Holdings of PGIM India Core Equity Portfolio
Discretionary Portfolio Regular Plan as on February 28th, 2021**

Date of Purchase	Equity	Sector	%
May-2018	Bharat Electronics Ltd	Industrial Electronics	6.33%
Sep-2015	State Bank of India	Banking / Financial Services	6.27%
Aug-2013	Cummins India Ltd	Engineering	5.28%
Oct-2017	Power Grid Corporation Of India Ltd	Power- Transmission	5.01%
Jun-2015	ITC Ltd	FMCG	4.77%
Jan-2016	Oracle Financial Services Software Ltd	IT Services / Products	4.54%
Aug-2018	Cipla Ltd	Pharmaceuticals	4.31%
Aug-2013	Great Eastern Shipping Co Ltd	Shipping	4.02%
Mar-2020	Suprajit Engineering Ltd	Auto Ancillaries	4.02%
Jul-2016	Rallis India Ltd	Pesticides And Agrochemicals	3.70%
Mar-2015	Castrol India Ltd	Lubricants / oils	3.65%
Dec-2019	Vardhman Textiles Ltd	Spinning-Cotton/ Blended	3.59%
Jul-2013	Indraprastha Gas Ltd	City Gas Distribution	3.55%
Aug-2018	Thermax Ltd	Industrial Equipment	3.43%
Jul-2013	Container Corporation of India Ltd	Logistics	3.23%
	Total		65.70%

Model Portfolio Details

Portfolio Details as on February 28th, 2021

Weighted average RoCE	28.70%
Portfolio PE (1-year forward) (Based on FY 21)	21.61
Portfolio dividend yield	2.20%
Average age of companies	61 Years

Portfolio Composition as on February 28th, 2021

Large Cap	36.25%
Mid Cap	31.00%
Small Cap	26.00%
Cash	6.75%

Large Cap: Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on February 28th, 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 February 28th, 2021

Small Cap: Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on February 28th, 2021

PGIM India Core Equity Portfolio - Performance as on February 28th, 2021

Period	Portfolio	NIFTY 500	NIFTY 50
1 Month	8.66%	7.78%	6.56%
3 Months	14.50%	13.64%	12.03%
6 Months	19.32%	29.98%	27.59%
1 Year	25.01%	31.89%	29.70%
2 Years	11.02%	16.61%	16.02%
3 Years	5.07%	9.56%	11.46%
5 Years	11.69%	15.88%	15.77%
Since Inception Date 08/07/2013	14.62%	13.79%	12.59%
Portfolio Turnover Ratio*	18.45%		

*Portfolio Turnover ratio for the period March 1st, 2020 to February 28th, 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 February 28th, 2021

	Current Year April 1, 2020 to February 28, 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	52.77%	-23.79%	3.79%	5.34%
Benchmark - NIFTY 500	74.10%	-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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