



PGIM

**India Portfolio
Management Services**

Small today.
Large tomorrow.

PGIM INDIA
PHOENIX PORTFOLIO





Himanshu Upadhyay,
Portfolio Manager

A positive road ahead for the Phoenix Portfolio

Dear Investor,

The Phoenix Portfolio delivered a return of 2.17% vs 1.82% CNX Midcap and 0.79% by CNX Small Cap for the month of March '21. The top contributors for the month were Kirloskar Brothers (up 52%), followed by Cummins (up 17%) and KPR Mills (up 15%). DCB and Care Rating (down 12%), Indian Hotels and DB Corp (down 10%) and Goodyear (down 8%) dragged the returns during the month.

During the most tumultuous year, 9 stocks from the portfolio more than doubled. Sobha delivered highest returns for the portfolio with gains of 226% followed by Cummins (181%) and Mayur Uniquoters (178%). The 10th best performing stock delivered 84% during the year. We have not included Hexaware and NOCIL in the list as we exited the stocks before end of March. The closing price for Hexaware on 31st Mar 2020 was Rs.227 and we sold it at Rs.470. The numbers for NOCIL were Rs.65.8 and Rs.190 respectively. Also, dividends have not been included in our calculations.

The best performing stocks are from real estate, manufacturing, industrial, agrochemicals and pharmaceuticals sectors, the very sectors that had fallen the most due to the lockdown. We continued to hold the stocks from these sectors and added to them during the fall, as our hypothesis was that even though the outlook was clouded with uncertainty, the long term demand for the products/services of these companies which were basic necessities for normal functioning of society will always remain. We were confident of the ability of these businesses to withstand temporary slowdown as they had strong balance sheets and were run by competent managements. The other factor that aided conviction was the valuation comfort. Even before the lock down last year there was a slowdown in real estate and cyclical sectors and hence the stocks were quoting at a huge discount to their intrinsic value, in our opinion.

Though we were expecting a recovery in businesses and stock price consequently, the pace of revival has surprised us as well. We ourselves would have assigned a very low probability to some of the stocks doubling during a pandemic hit year. Very clearly markets are difficult to predict and investing according to those predictions is not a wise strategy for long term investors.

It is not very often that a stock from the portfolio that delivers 8% excluding dividend, features as a worst performer for the year. A sharp rally in the Mid Caps and Small Caps meant even stocks with 64% and 58% return during the year featured in the bottom ten list. The bottom three stocks for us were DCB Bank, DB Corp and CCL Products. Three heavyweights from the portfolio, Great Eastern Shipping, Mahanagar Gas Limited and Oracle Financial Services also dragged the performance. Majority of underperformers are from hotels sector, shipping, media, city gas distribution, IT product and banking space. For all these companies, the business is improving every quarter but the market narrative has still not changed. We expect them to do well during the course of the year but timing of the same is near impossible to predict. Our philosophy for exiting a stock is to sell when the fundamentals of business deteriorate or stock gets overvalued. We will continue to be guided by this philosophy.

Yours Sincerely



Top 15 Holdings of PGIM India Phoenix Portfolio as on March 31st 2021

Date of Purchase	Equity	Sector	%
Aug-2016	Great Eastern Shipping Co Ltd	Shipping	6.02%
Mar-2018	Cummins India Ltd	Engineering	5.82%
Aug-2016	JB Chemicals & Pharmaceuticals Ltd	Pharmaceuticals	5.54%
Sep-2016	Oracle Financial Services Software Ltd	IT Services / Products	5.03%
Oct-2019	Ashiana Housing Ltd	Residential/Commercial/Sez Project	4.94%
Jul-2017	Mayur Uniquoters Ltd	Textiles	4.54%
Aug-2016	Federal Bank Ltd	Banks	4.09%
May-2018	Kirloskar Brothers Ltd	Compressors / Pumps	4.02%
Aug-2016	Sobha Ltd	Residential/Commercial/Sez Project	4.02%
Aug-2018	Carborundum Universal Ltd	Abrasives	3.84%
Sep-2016	Apar Industries Ltd	Power Equipment	3.82%
May-2019	Dhanuka Agritech Ltd	Pesticides And Agrochemicals	3.61%
Aug-2016	Oberoi Realty Ltd	Residential/Commercial/Sez Project	3.36%
Apr-2018	Mahanagar Gas Ltd	LPG/CNG/PNG/LNG SUPPLIER	3.32%
May-2017	MOIL Ltd	Industrial Minerals	3.17%
	Total		65.14%

Model Portfolio Details

Portfolio Details as on March 31st, 2021	
Weighted average RoE	10.95%
Portfolio PE (1-year forward) (Based on FY 21)	14.08
Portfolio dividend yield	2.09%

Portfolio Composition as on March 31st, 2021	
Large Cap	3.00%
Mid Cap	21.50%
Small Cap	65.75%
Cash	9.75%

Large Cap: Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on March 31st, 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 March 31st, 2021

Small Cap: Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on March 31st, 2021

PGIM India Phoenix Portfolio Performance as on March 31st, 2021

Period	Portfolio	Nifty Midcap 100	Nifty Smallcap 100
1 Month	1.95%	1.82%	0.79%
3 Months	11.24%	13.68%	14.47%
6 Months	33.17%	39.51%	39.33%
1 Year	80.21%	102.44%	125.70%
2 Year	5.10%	13.90%	10.26%
3 Year	2.07%	8.10%	1.36%
Since Inception Date 01/08/2016	7.55%	10.66%	6.36%
Portfolio Turnover Ratio*	26.69%		

*Portfolio Turnover ratio for the period April 1st, 2020 to March 31st, 2021

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 March 31st, 2021

	Current Year April 1, 2020 to March 31, 2021	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	80.21%	-38.70%	-3.73%	9.49%
Benchmark - NIFTY MIDCAP 100	102.44%	-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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