



**PGIM**

**India Portfolio  
Management Services**

Small today.  
Large tomorrow.

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





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Portfolio Manager

### Positive outlook for the manufacturing sector portfolio

Dear Investor,

The Phoenix Portfolio delivered (-1.37%) vs 0.32% for Nifty Midcap 100 index and 1.26% for Nifty Small Cap 100 index return for January 2021. In January the top three performing stocks were Cummins (+16%), Sobha (+11%) and Federal Bank (+8%). The bottom three were DCB (-16%), Ashiana housing (-11%) and CCL products (-11%).

Economic data from the past few months consistently indicates that the economy is on the recovery path. Improvement in various parameters from fuel and electricity consumption to automobile sales, and industrial production to real estate sales registration, points to a broad-based recovery. The Phoenix portfolio mainly comprises small-cap companies. Small companies are geographically concentrated and generally focus on a few if not a single product. This results in high operating leverage. For such companies, there is a significant rise in profit margins when the economy improves and vice versa. With the expectation of strong economic revival, it is but natural to expect the small-cap companies to do better from here on. Over the last few years, the economic slowdown and the volatile demand scenario implied a limited rise in new production capacity addition if any. Nevertheless, small-cap companies with visible pent-up demand are expected to gain quarterly profits and growth in revenues. So far the results have been better than the estimates in most cases.

Manufacturing companies have a major weightage in the portfolio. The manufacturing exposure in the portfolio is not a monolithic bloc but a well-diversified basket of manufacturing companies.

KPR Mills and KKCL both are in the textile space. While KPR Mills is in the business of yarns, fabrics and making garments for third parties; KKCL is in the manufacturing and sales of branded garments segment and owns brands like Killer, Easies, Lawman and Integriti.

Mayur Uniquoters is the largest manufacturer of artificial leather in India. It manufactures leather used in the manufacturing of shoes, upholstery in cars and purses etc. Cummins is the largest manufacturer of engines in India. Its products are used for various applications like construction, mining machinery, railways, defence etc and power generators. Kirloskar Brothers is the largest manufacturer of water pumps in India.

Carborundum Universal, the leader in the abrasives and ceramics industry in India, supplies diversified products to manufacturing plants. The demand for these products is directly proportional to the growth in industrial production. NOCIL is the market leader in India for rubber chemicals which are majorly used for making tyres while Goodyear is another company that manufactures tyres but primarily for tractors.

Apar is a global leader in the manufacturing of electric conductors and transformer oils. It also manufactures auto lubes, white oils and cables for power transmission and telecommunications. CCL Products, one of the largest global supplier and manufacturer of processed coffee are in the market for conventional and freeze-dried coffee.

SH Kelkar is in the business of manufacturing flavours and fragrance used in perfumes, FMCG and incense sticks (agarbattis). JB Chemicals and Dhanuka Agrochemicals are manufacturing medicines, API and agrochemicals. Increased spending on pharma, healthcare and agri inputs are key drivers for them in domestic as well as international market.

The slowdown negatively affected the manufacturing exposure of the portfolio. The visible signs of economic recovery are likely to reflect positive traction in the portfolio in the days to come.

Yours Sincerely



### Top 15 Holdings of PGIM India Phoenix Portfolio as on January 31st, 2021

Date of Purchase	Equity	Sector	%
Aug-2016	Great Eastern Shipping Co Ltd	Shipping	5.72%
Mar-2018	Cummins India Ltd	Engineering	5.40%
Sep-2016	Oracle Financial Services Software Ltd	IT Services / Products	5.20%
Aug-2016	JB Chemicals & Pharmaceuticals Ltd	Pharmaceuticals	5.13%
Aug-2016	Sobha Ltd	Residential/Commercial/Sez Project	4.89%
Aug-2016	Federal Bank Ltd	Banks	4.49%
May-2019	Dhanuka Agritech Ltd	Pesticides And Agrochemicals	4.33%
Jul-2017	Mayur Uniquoters Ltd	Textiles	3.95%
Aug-2018	Carborundum Universal Ltd	Abrasives	3.88%
Oct-2019	Ashiana Housing Ltd	Residential/Commercial/Sez Project	3.68%
Apr-2018	Mahanagar Gas Ltd	LPG/CNG/PNG/LNG SUPPLIER	3.64%
Aug-2016	Oberoi Realty Ltd	Residential/Commercial/Sez Project	3.58%
Oct-2016	CCL Products India Ltd	Tea & Coffee	3.42%
Oct-2016	DCB Bank Ltd	Banks	3.25%
Sep-2016	Apar Industries Ltd	Power Equipment	3.24%
	<b>Total</b>		<b>63.80%</b>

### Model Portfolio Details

Portfolio Details as on January 31st, 2021	
Weighted average RoE	10.83%
Portfolio PE (1-year forward) (Based on FY 21)	13.24
Portfolio dividend yield	2.27%

Portfolio Composition as on January 31st, 2021	
Large Cap	3.00%
Mid Cap	21.00%
Small Cap	65.75%
Cash	10.25%

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

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

### PGIM India Phoenix Portfolio Performance as on January 31st, 2021

Period	Portfolio	Nifty Midcap 100	Nifty Smallcap 100
1 Month	-1.37%	0.32%	1.26%
3 Months	18.66%	22.52%	23.33%
6 Months	23.86%	35.15%	43.23%
1 Year	6.22%	16.10%	15.27%
2 Year	1.77%	11.21%	8.17%
3 Year	-3.57%	0.20%	-6.63%
Since Inception Date 01/08/2016	4.99%	8.02%	3.73%
Portfolio Turnover Ratio*	24.61%		

\*Portfolio Turnover ratio for the period February 1st, 2020 to January 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 January 31st, 2021

	Current Year April 1, 2020 to January 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	59.78%	-38.7%	-3.73%	9.49%
Benchmark - NIFTY MIDCAP 100	78.66%	-35.9%	-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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