

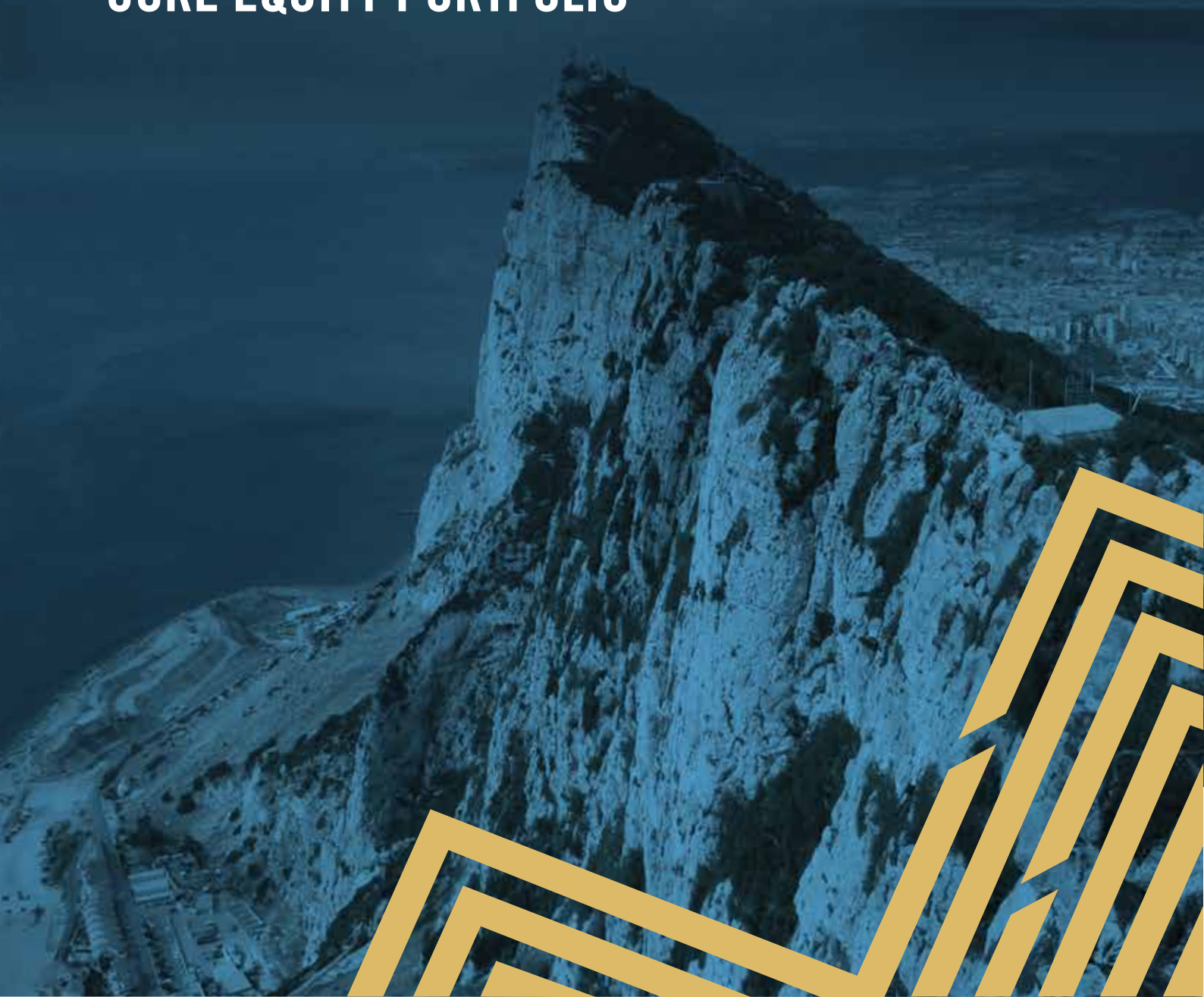


PGIM

India Portfolio
Management Services

Stable core.
Strong portfolio.

PGIM INDIA
CORE EQUITY PORTFOLIO





Himanshu Upadhyay,
Portfolio Manager

Expedient time ahead for the Core Equity Portfolio

Dear Investor,

The Core Equity Portfolio (CEP) delivered 0.48% return versus 1.09% by Nifty 500 and 1.11% by Nifty 50 for the month of March. Top contributors for the month included Cummins (up 17%), followed by Vardhman Textiles and TCS (up 10% each) and Infosys (up 9%). The main detractors were Coal India (down 14%), BEL (down 9%) and SBI (down 7%).

The beginning of a new fiscal is an opportune time to reflect on what has worked and not worked during the last 1 year. Cummins India was the best performing stock for CEP with gains of 181% during the year. VST Tillers and Suprajit Engineering more than doubled in value with gains of 168% and 144% respectively. In fact, if we look at top 10 best performing stocks, OFSS which ranks tenth in the list has delivered 58% during the year. The returns do not include dividends and stock that were sold during the year.

Our fundamental belief is that it is futile to predict direction of the markets and the sector that is likely to do well, got reinforced last year. At the beginning of last fiscal, the market hugely favored FMCG, pharmaceuticals and consumption themes. A year down the line, a closer look at the top performing stocks that have done well, reveals that these are predominantly from manufacturing, engineering, auto and cyclical businesses. These were also the companies which were believed to get hit the hardest by the COVID lockdown. So, the key learning is that instead of predicting/ chasing the trends, it is much better to concentrate on buying businesses that are market leaders in their segments, with strong balance sheets, in an essential line of business, having longer term tailwinds. And the best time to buy such companies is when there is a period of maximum uncertainty. For quality businesses the tide turns sooner or later. Like it did in our case for manufacturing, engineering, auto and cyclicals.

The other important learning for us is that when the market does not present opportunities worth buying it is much better to hold cash and wait for the opportune moment. From the end of 2019, we had slowly built 14-15% cash across the portfolios. This cash came in handy to add stocks where we had conviction, during last year's fall in the market.

Not everything went our way. Though COAL India was the only stock that delivered -ve returns (marginal +ve including dividend) during the year, stocks like Castrol, Sanofi, ITC delivered returns that were lower than the leading index. Some of these dragged down returns for the portfolio.

Quite often in equity markets, there is divergence between the business performance and the stock market performance of the companies. Even though some of the holdings have underperformed the benchmark, the underlying businesses have been doing well, so we expect most of these companies to start contributing delta to the strategy returns.

We continue to focus on buying strong companies, run by competent management and when they are available cheap. As long as our hypothesis and quality of business remains intact, we continue to hold them, because time and again we have seen that market eventually look beyond the noise and recognizes the business performance. Timing the market, not being an integral part of the strategy, you are unlikely to see us chasing short-term trends and near-term market narratives.

Yours Sincerely



**Top 15 Holdings of PGIM India Core Equity Portfolio
Discretionary Portfolio Regular Plan as on March 31st, 2021**

Date of Purchase	Equity	Sector	%
Sep-2015	State Bank of India	Banking / Financial Services	5.83%
May-2018	Bharat Electronics Ltd	Industrial Electronics	5.76%
Aug-2013	Cummins India Ltd	Engineering	5.75%
Jun-2015	ITC Ltd	FMCG	5.39%
Oct-2017	Power Grid Corporation Of India Ltd	Power- Transmission	5.12%
Jan-2016	Oracle Financial Services Software Ltd	IT Services / Products	4.74%
Aug-2018	Cipla Ltd	Pharmaceuticals	4.43%
Aug-2013	Great Eastern Shipping Co Ltd	Shipping	3.98%
Dec-2019	Vardhman Textiles Ltd	Spinning-Cotton/ Blended	3.92%
Mar-2020	Suprajit Engineering Ltd	Auto Ancillaries	3.85%
Jul-2013	Indraprastha Gas Ltd	City Gas Distribution	3.67%
Jul-2016	Rallis India Ltd	Pesticides And Agrochemicals	3.64%
Mar-2015	Castrol India Ltd	Lubricants / oils	3.51%
Aug-2018	Thermax Ltd	Industrial Equipment	3.37%
Feb-2018	Multi Commodity Exchange Of India Ltd	Other Financial Services	3.21%
	Total		66.17%

Model Portfolio Details

Portfolio Details as on March 31st, 2021	
Weighted average RoCE	28.70%
Portfolio PE (1-year forward) (Based on FY 21)	21.91
Portfolio dividend yield	2.23%
Average age of companies	61 Years

Portfolio Composition as on March 31st, 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 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 Core Equity Portfolio - Performance as on March 31st, 2021

Period	Portfolio	NIFTY 500	NIFTY 50
1 Month	0.48%	1.09%	1.11%
3 Months	10.54%	6.91%	5.07%
6 Months	23.62%	31.81%	30.61%
1 Year	53.51%	75.99%	70.87%
2 Years	8.23%	12.87%	12.41%
3 Years	6.74%	11.38%	13.25%
5 Years	9.55%	13.80%	13.68%
Since Inception Date 08/07/2013	14.52%	13.79%	12.60%
Portfolio Turnover Ratio*	18.38%		

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

	Current Year 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	53.51	-23.79	3.79	5.34
Benchmark - NIFTY 500	75.99	-27.6	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.

Disclaimers and risk factors: PGIM India Asset Management Private Limited (erstwhile DHFL Pramerica Asset Managers 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 April 22, 2021.

C026/2021-22

