

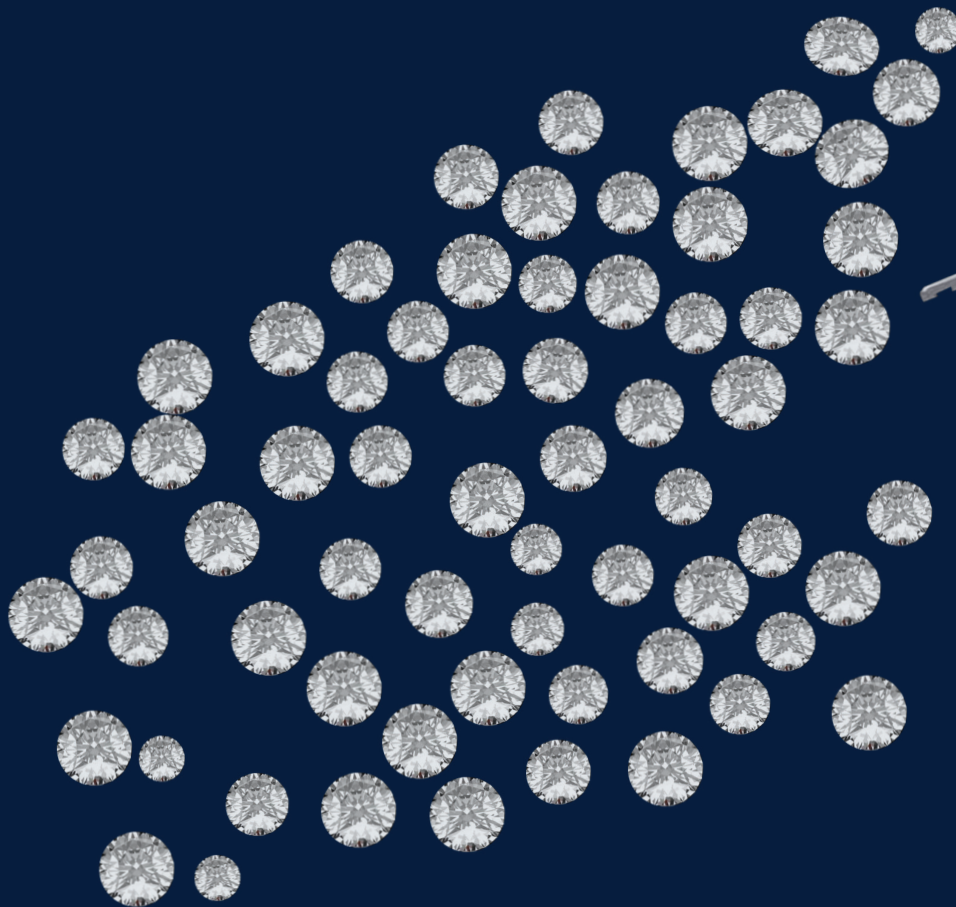


PGIM

**India Portfolio
Management Services**

Small today.
Large tomorrow.

PGIM INDIA
PHOENIX PORTFOLIO





Surjitt Singh Arora,
Portfolio Manager

An ideal blend of structural and cyclical companies

Dear Investor,

PERFORMANCE RECAP

Our portfolio delivered a 0.7% return vs 3.0% for Nifty Small-cap 250 Index and 1.9% for Nifty Mid-cap 150 index during the month of November 2022. Our portfolio underperformed the Nifty Small-cap Index by 230bps and Nifty Mid-cap 150 index by 120bps on account of our overweight stance on Building material, Healthcare and Real Estate Sector. The stocks which impacted our performance were Greenply Industries, P&G Health, Oberoi Realty and Phoenix Mills. This was partially mitigated by outperformance of KPIT Tech, J.B. Chemicals and Mrs. Bectors' Foods.

On a one-year basis, the portfolio delivered a return of 8.3% vs 3.4% for Nifty Small-cap 250 Index outperforming by 490bps. Our portfolio allocation to small caps is ~56%, hence, performance should be seen in the light of Small-cap Index. The portfolio outperformed the index mostly on stock selection in Real Estate, Materials as well as Media Sector and an overweight in Industrials and IT sector. The outperformers were Phoenix Mills, KPIT Technologies, Inox Leisure, J.B. Chemicals, Oberoi Realty, Affle India and Indian Hotels.

INVESTMENT PROCESS

In this investment approach, we use a judicious mix of Structural and Cyclical companies

Structural growth:- India is a developing economy and market. There are a number of businesses which are unorganized and their penetration is very low. Hence, such companies can grow by gaining market share and increased consumption on the back of affordability and widespread consumers awareness. Real Estate, Pharmaceuticals, IT companies have been a part of this theme with a long-term perspective and we believe some of tomorrows multi-baggers will be from this space.

Cyclical businesses:- There are many companies in the mid and small cap space which are market leaders in their segments and are profitable but cyclical businesses. For instance, companies in Manufacturing, Finance, Auto Ancillaries, Commodities, Textiles sectors etc. The thought here has been to be invested for a period of 3 to 5 years.

New Additions to our Portfolio:

Kajaria Ceramics: Kajaria is the largest tile manufacturer in India and one of the top 10 globally. With strong growth, and a debt-free balance sheet, Kajaria has been a leader with a differentiated story in the Indian tiles industry. Over last 10 years, revenue and PAT have grown at 11% and 17% CAGR, respectively. Kajaria has also emerged stronger in the aftermath of Covid-19 disruptions.

MM Forgings: The company is engaged in the manufacture of steel forgings offering raw forged components and fully machined components in the weight range of 0.2kgs – 100 kgs. It has forging presses in the range of 1,600T to 8,000T with an installed production capacity of 120K tons. In 1QFY23, ~82% of revenues are from the commercial vehicles segment, ~11% from passenger vehicles and remaining from OHT. ~50% of revenues are from exports.

VST Tillers & Tractors (VSTT): VSTT is strategising to transform from a tiller manufacturer to a small farm mechanization company. Taking the advantage of import restrictions from China, the company has started supplying products to various new brands who were previously dependent on the Chinese market. In FY21, the company added 155 new dealers in the power tiller segment and 110 new dealers in the tractor segment. VSTT introduced various new products, including the 27 HP high torque compact tractor; a 16 HP power tiller and a 30 HP compact tractor which was launched recently.

PORTFOLIO OUTLOOK

Indian markets continue to perform well. While valuations of NIFTY at ~20x 1 year forward earnings are a tad higher than historical averages, it is also a reflection of macro stability, healthy earnings growth that India Inc is witnessing, particularly in light of the global challenges and an inflationary environment. While we do not rule out near term volatility, we expect the healthy earnings growth trajectory to continue to aid India's premium valuations.

Domestic story of reforms, relatively strong earnings growth and low debt position of corporate India are the key positives for long-term equity investing. We continue to remain overweight on recovery plays i.e. Consumption, Real Estate and Industrials sector. We have an allocation of ~12% in Auto Sector and a ~15% allocation to stocks belonging to the house of Tatas.

With most of the developed world teetering on the brink of recession and larger emerging markets also seeing much lower growth rates, we believe Indian economy performance should stand out in the times to come. While India is not totally immune to global shocks and events, being largely a domestic consumption driven economy the risks are lesser and smaller in comparison. Further, with lower leverage and repaired balance sheets India Inc. and the financial system is in much better situation to weather out any global financial volatility.

Yours Sincerely

Surjitt Singh Arora

Top 15 Holdings of PGIM India Phoenix Portfolio as on November 30th, 2022

Date of Purchase	Equity	Sector	%
12-Apr-22	Greenply Industries Ltd	Materials	5.30%
07-Aug-18	Carborundum Universal Ltd	Materials	5.01%
06-Jul-17	Mayur Uniquoters Ltd	Materials	4.98%
27-Oct-20	K P R Mill Ltd	Consumer Discretionary	4.96%
24-Aug-22	Sagar Cements Ltd	Materials	4.92%
17-Sep-21	Procter & Gamble Health Ltd	Health Care	4.79%
11-Oct-21	Tata Consumer Products Ltd	Consumer Staples	4.65%
13-Sep-21	Jamna Auto Industries Ltd	Consumer Discretionary	4.45%
22-Oct-21	Kpit Technologies Ltd	Information Technology	4.36%
23-Aug-16	Oberoi Realty Ltd	Real Estate	4.02%
30-Oct-19	Ashiana Housing Ltd	Real Estate	3.85%
01-Aug-16	Jb Chemicals & Pharmaceuticals Ltd	Health Care	3.83%
17-Sep-21	Trent Ltd	Consumer Discretionary	3.58%
08-Feb-22	Stove Kraft Ltd	Consumer Discretionary	3.52%
31-Jan-20	Indian Hotels Company Ltd	Consumer Discretionary	3.51%
	Total		65.73%

Portfolio Details as on November 30th, 2022

Weighted average RoE	13.75%
Portfolio PE (2-years forward)	26.55
Portfolio dividend yield	0.40%
Average age of companies (Years)	44

Portfolio Composition as on November 30th, 2022

Large Cap	14%
Mid Cap	23%
Small Cap	56%
Cash	7%

Large Cap: Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on November 30th, 2022

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 November 30th, 2022

Small Cap: Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on November 30th, 2022

PGIM India Phoenix Portfolio Performance as on November 30th, 2022

Period	Portfolio	Nifty Smallcap 250#	Nifty Midcap 150
1 Month	0.68%	2.98%	1.90%
3 Months	0.89%	3.93%	1.91%
6 Months	13.06%	11.28%	13.91%
1 Year	8.32%	3.37%	7.75%
2 Years	30.25%	31.25%	27.38%
3 Years	21.73%	25.94%	24.13%
5 Years	7.84%	6.91%	11.87%
Since inception date 01/08/2016	11.59%	11.76%	15.42%
Portfolio Turnover*	35.05%		

*Portfolio Turnover ratio for the period December 1st, 2021 to November 30th, 2022.

#w.e.f. August 1, 2022, the benchmark has changed to the Nifty Smallcap 250 Index from Nifty Midcap 100 Index.

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 November 30th, 2022

	Current Year April 1, 2022 to November 30, 2022	April 1, 2021 to March 31, 2022	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020	April 1, 2018 to March 31, 2019
PGIM India Phoenix Portfolio	7.68%	32.85%	79.87%	-38.70%	-3.73%
Benchmark - NIFTY Smallcap 250#	2.22%	35.80%	117.16%	-41.13%	-13.27%

#w.e.f. August 1, 2022, the benchmark has changed to the Nifty Smallcap 250 Index from Nifty Midcap 100 Index.
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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This document is dated December 08, 2022.

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