



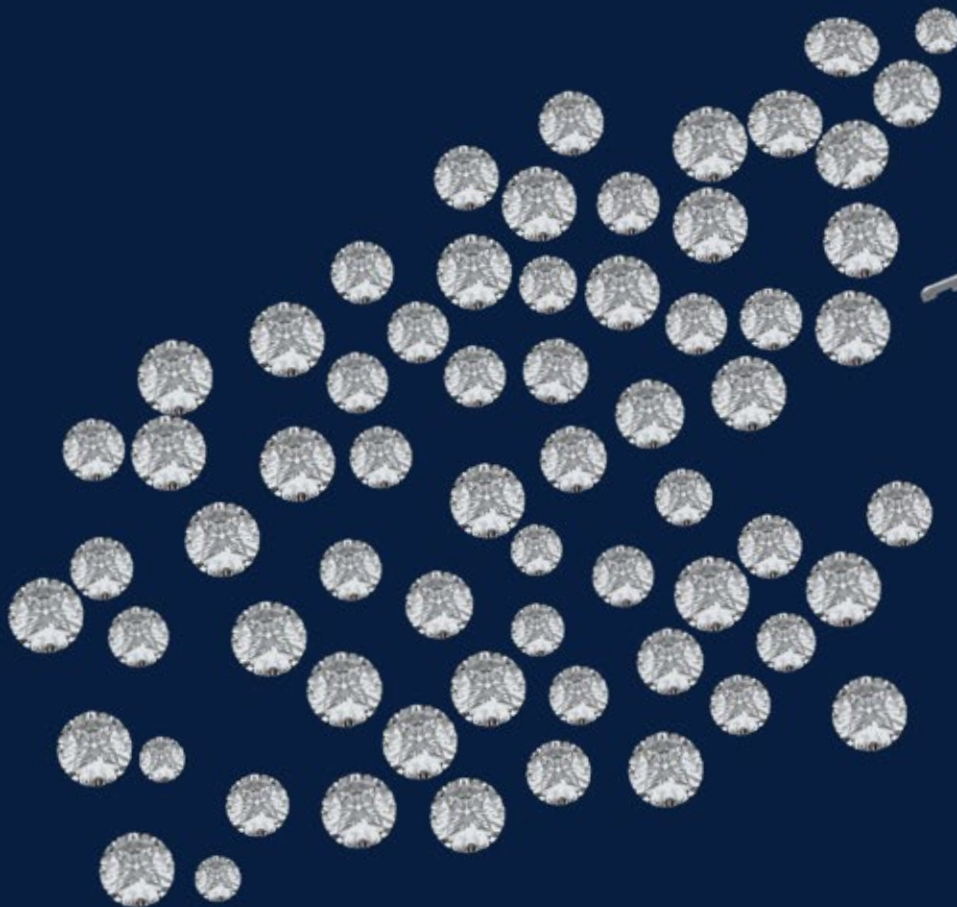
**PGIM**

**India Portfolio  
Management Services**

Small today.  
Large tomorrow.

---

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





**Surjitt Singh Arora,**  
Portfolio Manager

### Stock selection will be critical for performance

Dear Investor,

#### PERFORMANCE RECAP

Our portfolio delivered a flat return vs 1.9% for the Nifty Small-cap 250 Index and 1.8% for the Nifty Mid-cap 150 Index during October 2022. Our portfolio underperformed the Nifty Small-cap Index by 190bps and Nifty Mid-cap 150 Index by 180bps, mainly on account of our overweight stance on Building material, Healthcare and Real Estate Sectors. The stocks which impacted our performance were Greenply Industries, Sagar Cements, Jamna Auto and P&G Health. This was partially mitigated by outperformance of KPIT Tech, Phoenix Mills and Mrs. Bectors' Foods.

On a one-year basis, the portfolio delivered a return of 8.3% vs flat return for the Nifty Small-cap 250 Index, outperforming by 8.3%. Our portfolio allocation to smallcaps is ~45%, 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 Sectors, and an overweight in Industrials and IT sectors. The outperformers were Phoenix Mills, KPIT Technologies, Inox Leisure, J.B. Chemicals, Mayur Uniquoters, 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 from other players and increased consumption, once there is affordability and consumers become more aware. So Real Estate, Pharmaceuticals, IT companies, etc. have been a part of this theme. We believe some of tomorrow's multi-baggers will be from this space and hence, we have bought these companies with a long-term perspective.

**Cyclical businesses:-** There are many companies in the mid and smallcap 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.

#### PORTFOLIO OUTLOOK

Higher interest rates both Globally and in India could pose a risk to the equity valuation premium enjoyed by the Indian Market in the near-term. Also, within India, food inflation seems to be sticky, given the erratic monsoons across key states.

Given the global monetary tightening and inflation scenario, markets globally have seen a correction, though India's outperformance has been remarkable. Due to the trinity of rising global interest in India, favorable demographics and increased investments, India could see steady growth over the long term. In addition, healthy tax collections, buoyant domestic savings and decent recovery from the Covid-led slowdown bodes well for both investment and consumption, the two main pillars of long-term growth. This, along with formalization and increased capacity utilization, implies impetus to all-around economic activity levels. Hence, we remain positive on the Indian economy.

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 sectors and underweight on Financials. We continue to be positive on the Tata Group, as is reflected in our ~15% allocation to stocks belonging to the house of Tatas.

India has outperformed peers, and over a medium term we see healthy growth and a similar trend is likely to continue. India's outperformance is not an aberration, it is well warranted. From a 3 to 5 year perspective, we remain constructive on Indian Equities given the fact that the Indian economy would be one of the fastest growing economies in the world.

Yours Sincerely

**Surjitt Singh Arora**

### Top 15 Holdings of PGIM India Phoenix Portfolio as on October 31st, 2022

Date of Purchase	Equity	Sector	%
22-Oct-21	Kpit Technologies Ltd	Information Technology	5.77%
28-Sep-21	Phoenix Mills Ltd	Real Estate	5.71%
12-Apr-22	Greenply Industries Ltd	Materials	4.79%
27-Oct-20	K P R Mill Ltd	Consumer Discretionary	4.64%
06-Jul-17	Mayur Uniquoters Ltd	Materials	4.64%
11-Oct-21	Tata Consumer Products Ltd	Consumer Staples	4.28%
07-Aug-18	Carborundum Universal Ltd	Materials	4.24%
13-Sep-21	Jamna Auto Industries Ltd	Consumer Discretionary	4.19%
17-Sep-21	Procter & Gamble Health Ltd	Health Care	4.01%
01-Aug-16	JB Chemicals & Pharmaceuticals Ltd	Health Care	3.90%
24-Aug-22	Sagar Cements Ltd	Materials	3.90%
31-Jan-20	Indian Hotels Company Ltd	Consumer Discretionary	3.78%
23-Aug-16	Oberoi Realty Ltd	Real Estate	3.70%
17-Sep-21	Trent Ltd	Consumer Discretionary	3.59%
08-Feb-22	Stove Kraft Ltd	Consumer Discretionary	3.36%
	<b>Total</b>		<b>64.50%</b>

### Portfolio Details as on October 31st, 2022

Weighted average RoE	12.27%
Portfolio PE (2-years forward)	25.05
Portfolio dividend yield	0.34%
Average age of companies (Years)	40

### Portfolio Composition as on October 31st, 2022

Large Cap	14.23%
Mid Cap	20.95%
Small Cap	50.19%
Cash	14.65%

**Large Cap:** Market cap of the 100th company in the Nifty 500 (sorted by market cap in descending order) as on October 31st, 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 October 31st, 2022

**Small Cap:** Market cap lower than the 250th company in the Nifty 500 (sorted by market cap in descending order) as on October 31st, 2022

### PGIM India Phoenix Portfolio Performance as on October 31st, 2022

Period	Portfolio	Nifty Smallcap 250#	Nifty Midcap 150
1 Month	-0.05%	1.88%	1.83%
3 Months	4.60%	6.61%	6.02%
6 Months	6.06%	-1.28%	5.95%
1 Year	8.27%	-0.05%	4.19%
2 Years	37.67%	37.26%	35.21%
3 Years	20.72%	25.07%	24.15%
5 Years	8.68%	6.95%	12.10%
Since inception date 01/08/2016	11.63%	11.40%	15.29%
Portfolio Turnover*	33.91%		

\*Portfolio Turnover ratio for the period November 1st, 2021 to October 31st, 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 October 31st, 2022

	Current Year April 1, 2022 to October 31, 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	6.96%	32.85%	79.87%	-38.70%	-3.73%
Benchmark - NIFTY Smallcap 250#	-0.74%	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.

**Disclaimers and risk factors:** PGIM India Asset Management 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.

©2022 Prudential Financial, Inc. (PFI) and its related entities. PGIM, the PGIM logo, and the Rock symbol are service marks of Prudential Financial, Inc., 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 Phoenix 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 November 11, 2022.

C162/2022-23