

Risk for the stocks we own in the portfolio (PGIM India Core Equity Portfolio) :-

Slowdown in the domestic and global economy can lead to lower growth than our expectations and lower profitability for the companies in the portfolio. (for all the companies in the portfolio)

Low GDP growth can lead to lesser demand for the manufacturing companies which can also lead to fall in the prices of finished goods for manufacturing and commodity companies in the portfolio. (Manufacturing companies in the portfolio)

Higher stress in the economy can lead to higher NPA's for the financial stocks we hold. (Financial stocks in the portfolio)

In case of pharma companies we hold the risk of adverse assessment of quality of products by various regulatory bodies can impact them negatively. Also not able to innovate and launch new products in the market can adversely impact the long term prospects of these companies. (Pharmaceutical companies)

For the IT companies we hold in the portfolio lack of innovation and launch of new upgraded products in the market can lead to loss of market share or clients moving to competitor products. (IT companies)

Low GDP growth can lead to lesser movement of goods for the logistics companies in the portfolio leading to lower charter rates or lack of full capacity utilization for these companies. As these are high operating leverage companies in the portfolio the profitability can be severely impacted.

Prolonged downcycle in the automobile industry can lead to low demand for our portfolio companies in automobile space.

Poor monsoon or excess rainfall can impact the companies in agriculture space.

Regulatory adverse action from the regulator can lead to lower profitability and exclusivity for the utility company in the portfolio.