



**PGIM**

India Portfolio  
Management Services

**Stable core.  
Strong portfolio.**

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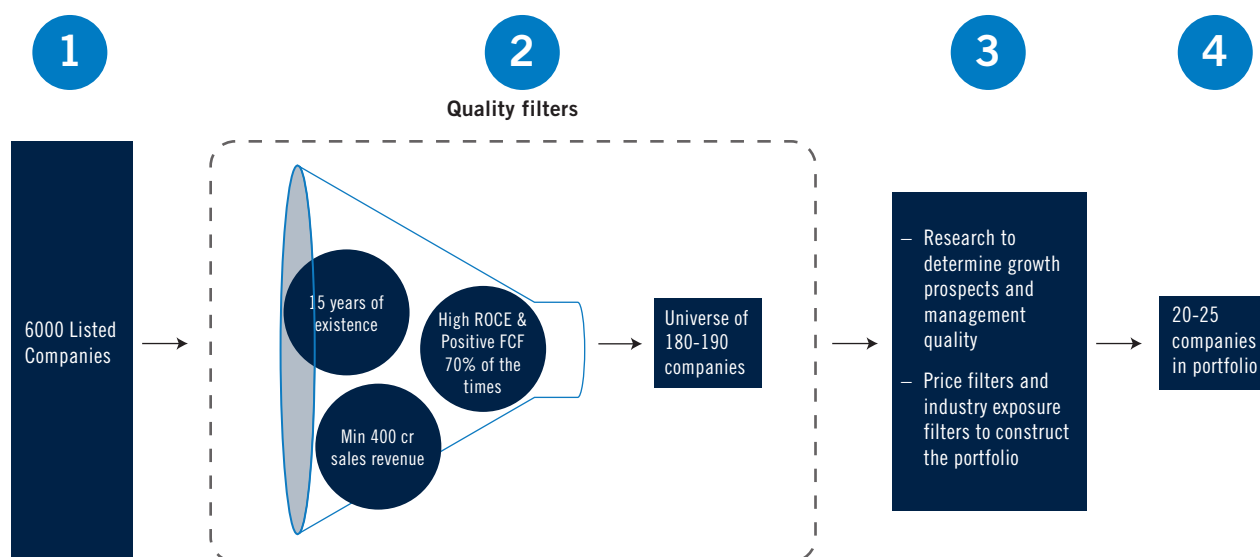
**PGIM INDIA**  
**CORE EQUITY PORTFOLIO**



# PGIM India Core Equity - Portfolio Proposition

- The portfolio invests in structurally strong companies, that are termed as good quality companies, which have:
  - reached a minimum scale in terms of revenue
  - have gone through at least one downcycle and emerged stronger and has a consistency in cash flows
  - high return on capital employed over the last 10 years
- The portfolio's focus is on always owning companies that are market leaders in a particular domain
- Concentrated portfolio of 20-25 stocks, with a Multi-cap approach
- Low Overlap with benchmark
- Single stock exposure is restricted to 10% of the portfolio and single sector exposure is restricted to 30%
- The holding of cash is a residual strategy:
  - Portfolio manager does not pre-decide the extent of cash. If suitable investment opportunities are not available at that point, cash is held to that extent

## Investment Process : Quality Filters



*Note: Minimum 75% of the portfolio at all times follows the above-mentioned process. The fund manager may exercise discretion up to 25% of the portfolio for including financial companies, high conviction ideas or companies which meet most of the above criteria but fail on a single parameter*

## Investment Process : Parameters

- The portfolio manager looks for:
  - The ability of the company to grow its sales and profits greater than industry average, over the next 3-5 years
  - The ability of the company to do this without consistently resorting to additional external funding
  - The track record of the management in capital allocation, and in treating minority shareholders fairly
- Portfolio manager is conscious of prevailing valuations at all times, which should be reasonable considering future growth prospects
- Periodic review of portfolio to establish best choices
- Sell Discipline – when the investment thesis changes fundamentally, we look to exit from the stock

## Current Portfolio Construct

- Concentrated Portfolio - 20-25 stock portfolio
- Single stock exposure limit - 10% of the portfolio
- Single sector exposure limit - 30% of the portfolio
- Portfolio generally constructed in 4 to 6 weeks after receiving the investment

## Investment Approach

Portfolio Name	PGIM India Core Equity
<b>Investment objective</b>	It 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.
<b>Types of Securities</b>	Funds would be predominantly invested in listed equity and equity related instruments.
<b>Basis of Selection</b>	The portfolio will identify and invest in companies with strong fundamentals which are available at a reasonable price when seen in light of business projections, projected cash flows and market value of assets. Such opportunities are available when companies are going through a period of temporary difficulty or are ignored by the market. It is a Multi cap portfolio agnostic to market capitalization. Primary Screening is based on ability to generate free cash flows, high ROCE with filters for vintage and size.
<b>Portfolio allocation</b>	It is a multi cap portfolio. From a risk management perspective, portfolio will be adequately diversified across sectors and across companies. Pending deployment of funds of the portfolio in securities in terms of the investment objective, the funds of the portfolio may be parked in short term deposits of scheduled commercial banks or in the liquid and debt schemes of PGIM India Mutual Fund.
<b>Investment Horizon</b>	Markets usually take time to spot value, and hence, this portfolio requires a longer holding period. Hence, this portfolio is suitable for investors with investment horizon of at least 3 years.
<b>Risk associated</b>	Please refer to Disclosure document at <a href="http://www.pgimindiapms.com">www.pgimindiapms.com</a>
<b>Benchmark Index</b>	Nifty 50 TRI

## About the Portfolio Manager



**Surjitt Singh Arora**  
Portfolio Manager

- Surjitt Singh Arora is Portfolio Manager – Portfolio Management Services at PGIM India Asset Management Private Limited. He is the Portfolio Manager for PGIM India Phoenix Portfolio and PGIM India Core Equity Portfolio.
- Surjitt Singh Arora has more than 18 years of rich work experience in the Equity Markets including over 8 years in the asset management industry. In his last stint, Surjitt was Head - PMS and Head - Principal Officer with Tata Asset Management. Prior to that he was with Tata Mutual Fund as Equity Research Analyst.
- Surjitt holds a Bachelor's degree in Management Studies from Sydenham College, Mumbai and a Master's degree in Management Studies from Sydenham Institute of Management and Research (SIMSREE), Mumbai.

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