



PGIM

India Portfolio
Management Services

Stable core.
Strong portfolio.

PGIM INDIA
CORE EQUITY PORTFOLIO

November 2024



Core Equity Portfolio – Track Record of more than a decade

- **Multi Cap Strategy:** A multicap portfolio with a well-balanced mix of companies which can be termed as Market Leaders and Challengers in their respective domains
- **Quality Focus:** Emphasis on high-quality companies with reasonable valuations, pre-screened for high leverage and higher mortality risk
- **Concentrated Approach:** High-conviction portfolio with 20-25 carefully selected stocks, ensuring optimal position sizing and liquidity
- **Long Track Record:** Navigated multiple market cycles since the inception of the fund in July 2013

Investors can benefit from a differentiated offering, that serves as a complement to existing investments or as a core allocation within their portfolio

Investment Process: Key Parameters (1/2)

Our portfolio manager employs a disciplined approach to identify and manage investments, focusing on quality, growth potential and risk management.



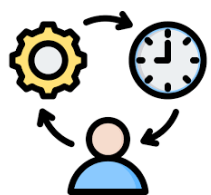
Identifying potential growth opportunities:

The portfolio manager seeks companies with above-industry growth potential over next 3-5 years, strong internal cash generation without heavy reliance on external funding and management with a solid track record in ethical capital allocation and fairness to minority shareholders.



Reasonable valuations considering future growth potential:

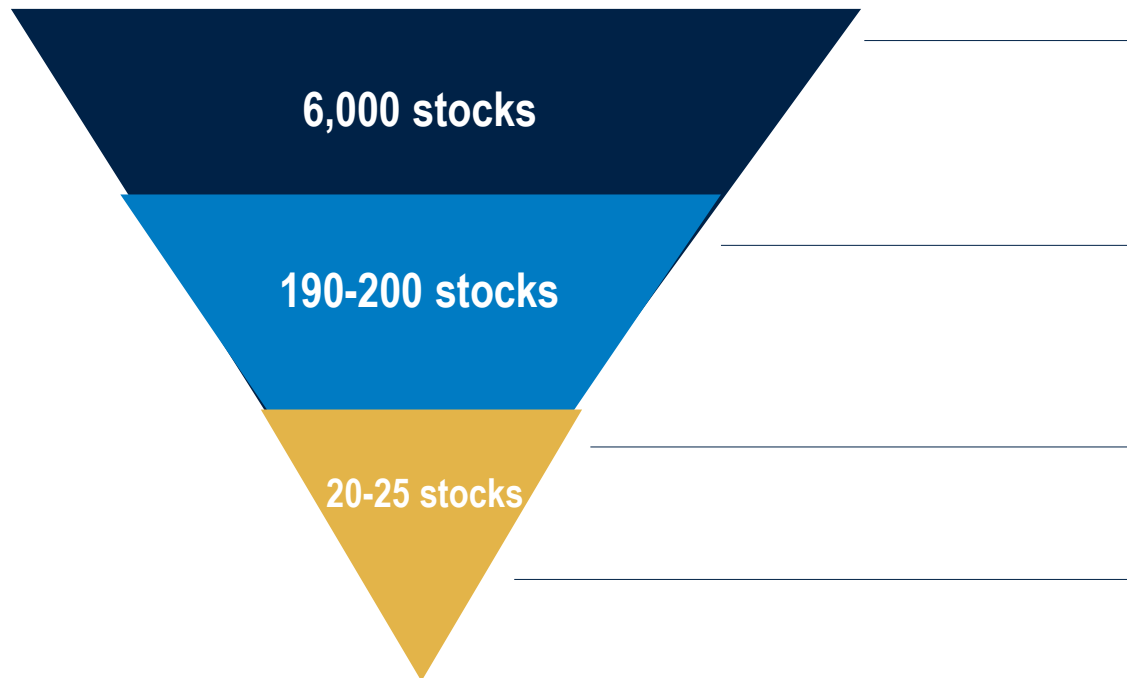
The portfolio manager is mindful of current valuations, ensuring they are reasonable relative to future growth prospects, and conducts periodic portfolio reviews to maintain optimal investment choices.



Sell Discipline:

We implement a disciplined approach to selling stocks when the original investment thesis fundamentally changes, ensuring capital preservation. Additionally, if valuations appear to exceed reasonable PEG levels, we may consider exiting the position.

Investment Process: Key Parameters (2/2)



Universe of 6,000 listed companies

Qualitative filters: Apply Filters (e.g., High ROCE, Positive Operating cashflows, Low net debt to equity)

Research for Growth Prospects, Management Quality, Price Filters, Industry Exposure

PGIM India Core Equity Portfolio

Portfolio Proposition

1

Market Leaders and Challengers: We prioritize investing in companies that are leaders or challengers within their specific sectors that have competitive advantage and industry expertise.

2

Focus on High-Quality companies: We invest in companies that are structurally strong and demonstrate resilience and quality:

- **Achieved a Minimum Revenue Scale:** Companies that have reached a minimum scale in terms of revenue, ensuring stability and growth potential.
- **Resilience Through Downturns:** Companies that have weathered at least one market downturn and emerged stronger and have consistency in cash flows.
- **Strong Fundamentals:** Companies with a consistent track record of generating strong cash flows and achieving high Return on Capital Employed (ROCE)

3

Concentrated Portfolio:

- **Concentrated Holdings:** A focused portfolio of 20-25 carefully selected stocks with potential to grow while managing risk.
- **Multi-Cap Approach:** Invests across market capitalizations to capture growth opportunities wherever they arise.
- **Low Overlap:** Ensures portfolio differentiation and active management by maintaining low overlap with the benchmark.

4

Risk Management Principles: No more than 15% of the portfolio is invested in a single stock to mitigate concentration risk. Exposure to any single sector is restricted to 30% to ensure diversification across industries.

5

Dynamic Cash Management Strategy:

- **Residual Cash Holding:** Cash is held as a residual component. The extent of cash holding is not pre-determined; it varies based on the availability of attractive investment opportunities. When opportunities are scarce, cash positions may increase to preserve capital.

PGIM India Core Equity Portfolio - Metrics

01 Market Leaders and Challengers

The portfolio consists of companies that are either **Market Leaders** or **Challengers** in their respective business segments

02 Quality Metrics

Profitability: *ROCE stands at **16.05%**,
Leverage: ^debt to equity ratio is **0.12x**
Valuation: PE ratio for FY26E is **28.2x**

04 Risk Metrics

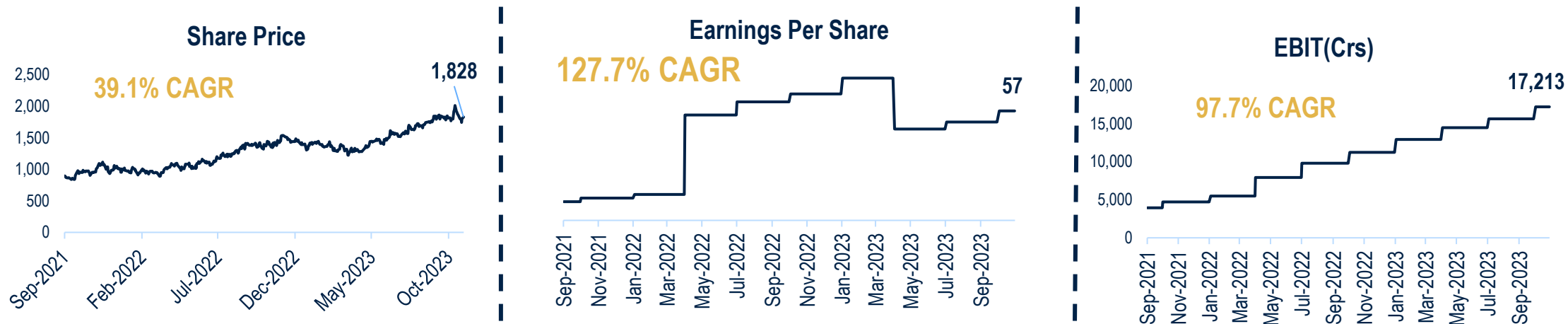
The portfolio exhibits a 3-year risk (standard deviation) of **11.76%**, a beta of **0.77**, and a Sharpe ratio of **1.42**, highlighting a balanced risk-return profile.

03 Portfolio Size & Diversification

The portfolio is well-diversified across market caps, including large, mid, and small caps. It exhibits a low overlap of **12.03%** with the benchmark, reflecting a truly differentiated investment approach.

Case Studies: Wealth Creation by Market Leaders and Challengers

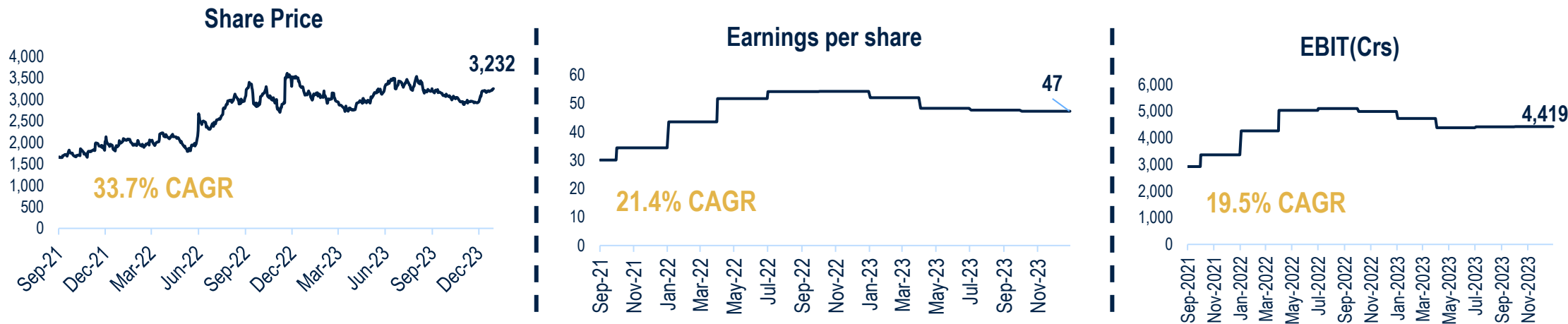
Phoenix Mills – Market Leader



- **Aggressive Expansion Plans:** Phoenix Mills had announced doubling its mall capacity to ~13msf by FY26, with six under-construction malls in key cities like Mumbai, Bengaluru, Pune, and Kolkata, providing clear visibility for rental growth.
- **Robust Portfolio of Prime Assets:** As a leading mall operator, Phoenix owns and manages marquee assets in prime locations, establishing itself as a go-to destination for high-end tenants and retail consumers.
- **Pioneering Mixed-Use Developments:** Phoenix was among the first to introduce large-scale, retail-led mixed-use developments in India, creating location equity with landmark projects like High Street Phoenix in Mumbai's Lower Parel.
- **Strategic Focus on Prime Locations:** The company's strategy of developing 'consumption centers' in high-demand, under-served micro-markets allows Phoenix Mills to attract premium tenants, benefit from high lease revenues, and cater to a population with significant discretionary spending.

Case Studies: Wealth Creation by Market Leaders and Challengers

Timken India - Challenger



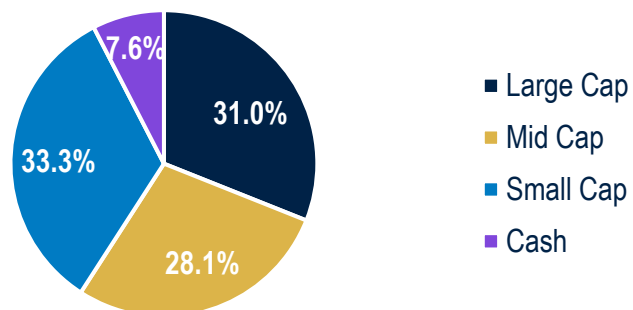
- **Strong Market Leadership:** Timken India holds a dominant position in key segments like railways and commercial vehicles (CVs), where it commands over 60% market share in the CV segment.
- **Growth Across Multiple Sectors:** The company is well-positioned to capitalize on increasing demand in the cement, steel, and renewable sectors, further strengthening its market leadership in these industries. Additionally, Timken’s expansion into ball bearings and spherical bearings sets it up to challenge key competitors like Schaeffler and SKF.
- **Robust Export Contribution:** With Timken India serving as a critical production hub for its parent company, Timken India consistently maintained a healthy export share of 25-30.
- **Expansion in Key Segments:** Timken India's expansion into newer opportunities within the CRB (Cylindrical Roller Bearings) and TRB (Tapered Roller Bearings) segments positioned it to enhance its operational performance amid improving domestic market conditions.

PGIM India Core Equity Portfolio - Holdings

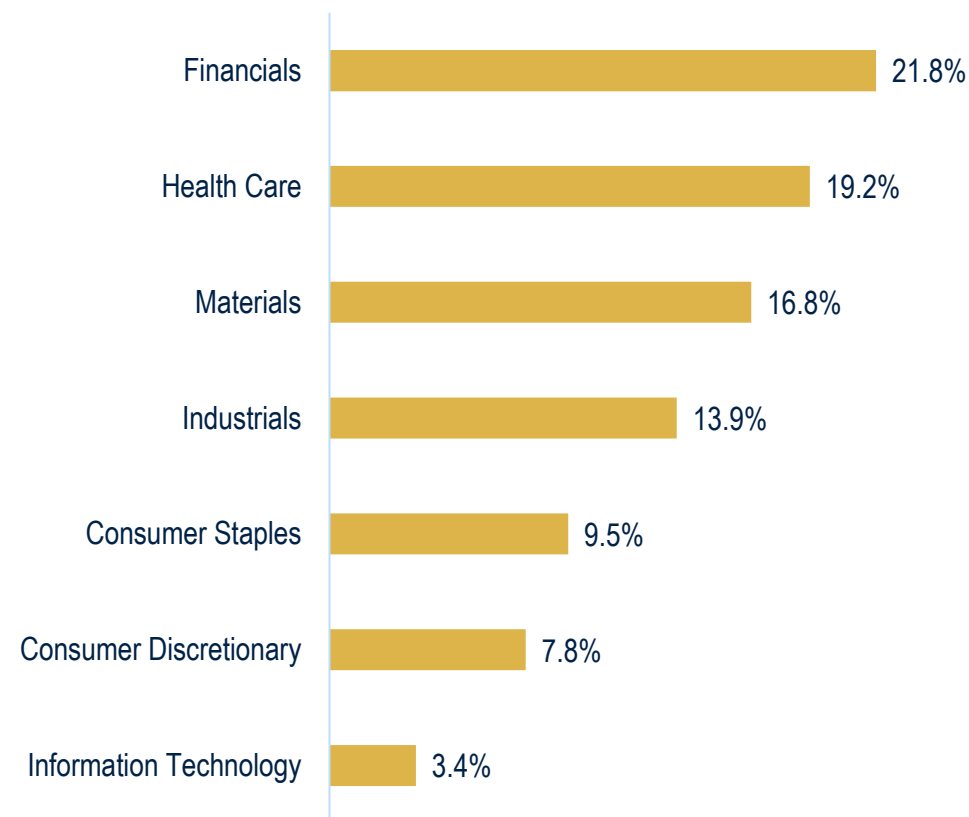
Top 10 Holdings

Sr No.	Company	Weights
1	Syngene International Ltd	6.7%
2	Sumitomo Chemical India Ltd	6.6%
3	Havells India Ltd	5.4%
4	Computer Age Management Serv	5.2%
5	Aurobindo Pharma Ltd	5.2%
6	Vardhman Textiles Ltd	5.0%
7	Icici Bank Ltd	4.9%
8	Itc Ltd	4.9%
9	Bajaj Finance Ltd	4.8%
10	Muthoot Finance Ltd	4.8%
-	Total	53.2%

Market-cap size classification



Sector Classification



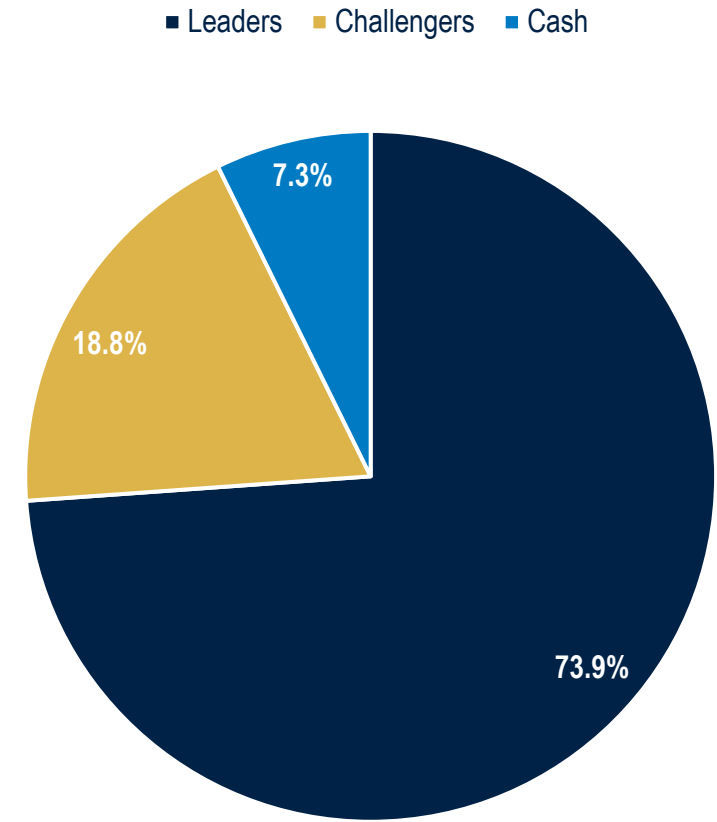
PGIM India Core Equity Portfolio – Holdings Insights



Leaders: Market leaders are companies that dominate their industries, holding significant market share and a competitive advantage. With proven track records, strong financials, and resilient business models, these companies offer stability and downside protection to the portfolio. Currently, over **70%** of our portfolio is allocated to market leaders, ensuring a strong foundation for long-term growth.

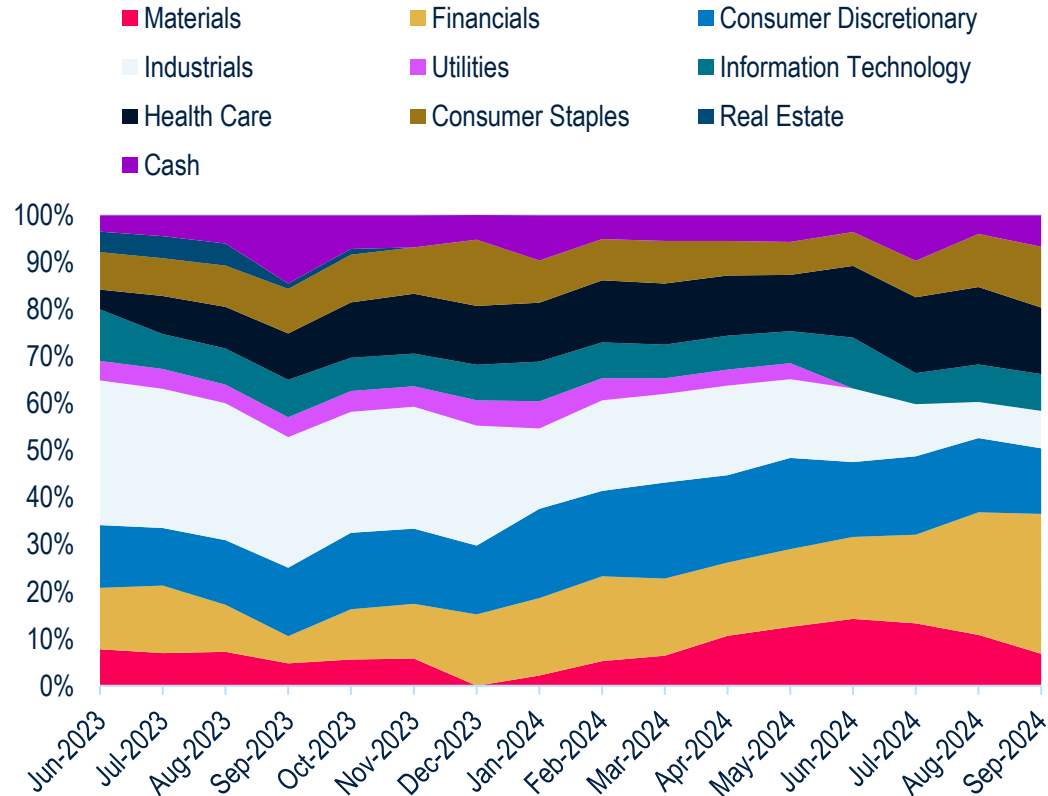


Challengers: Market challengers are emerging companies that are rapidly gaining market share and challenging the dominance of leaders. With innovative approaches and disruptive strategies, they offer high growth potential. Investing in challengers allows for capturing upside opportunities, as they can evolve into tomorrow’s market leaders.

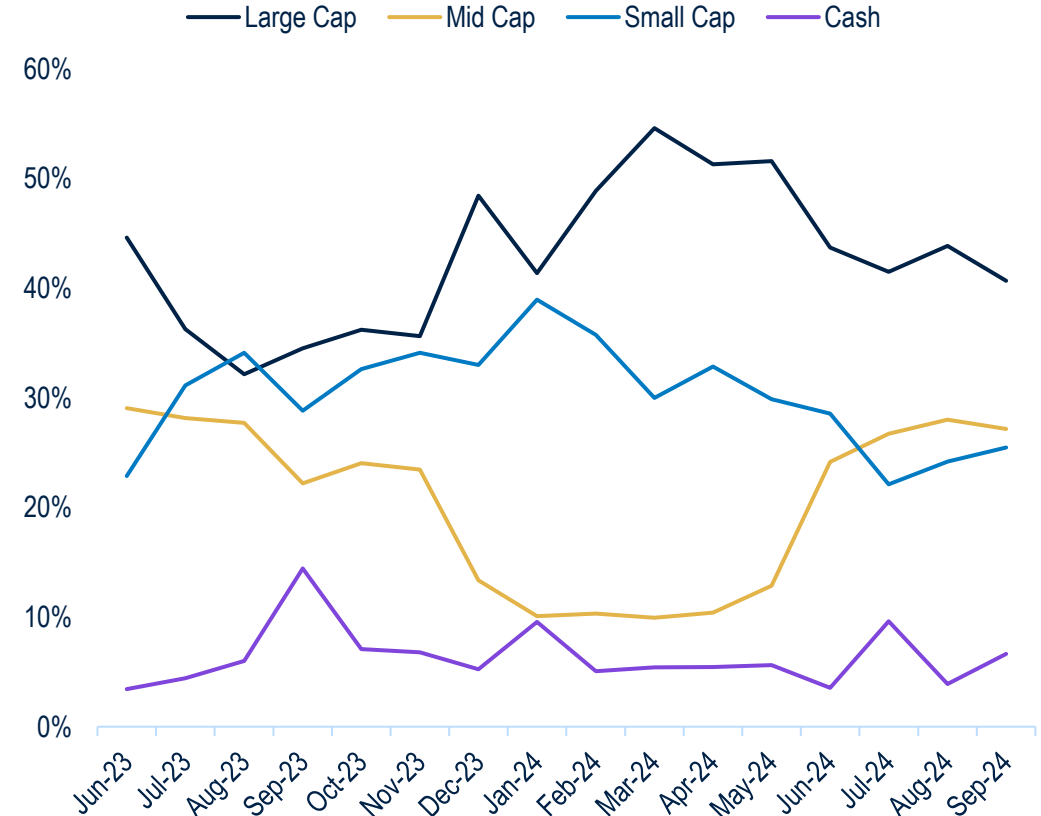


PGIM India Core Equity Portfolio – Historical Holdings

Historical Sector Allocation



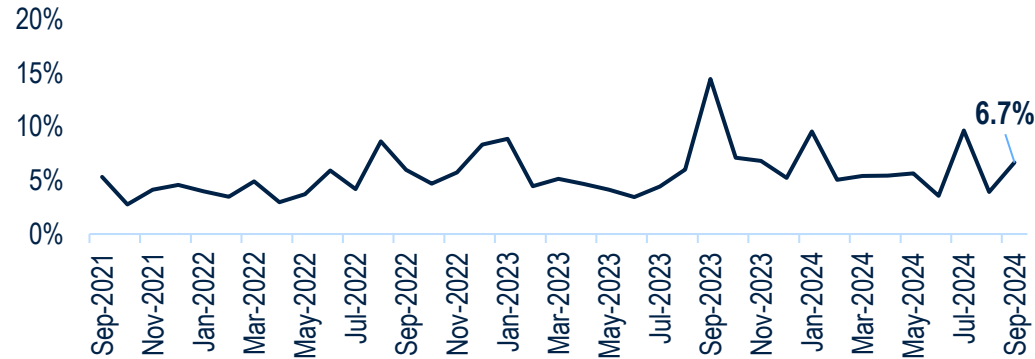
Historical Size Allocation



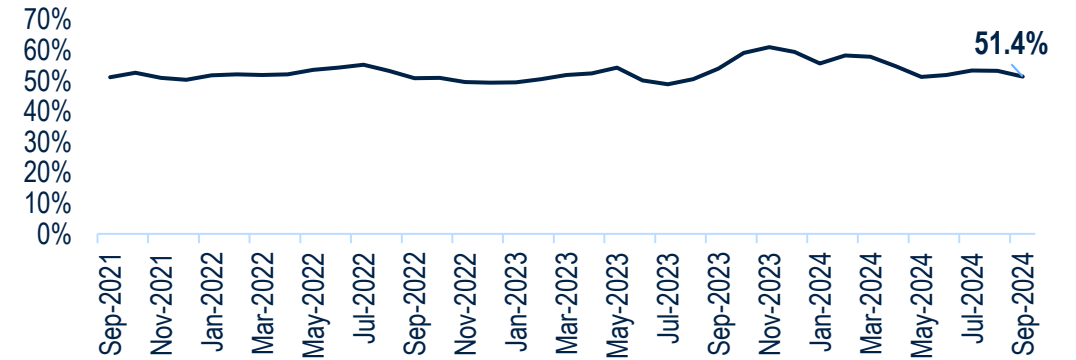
Historically, the portfolio has provided downside protection by focusing on large caps and defensive sectors like healthcare, while capturing upside stock selection and exposure in sectors such as industrials, materials, and consumer discretionary.

PGIM India Core Equity Portfolio – True to the mandate

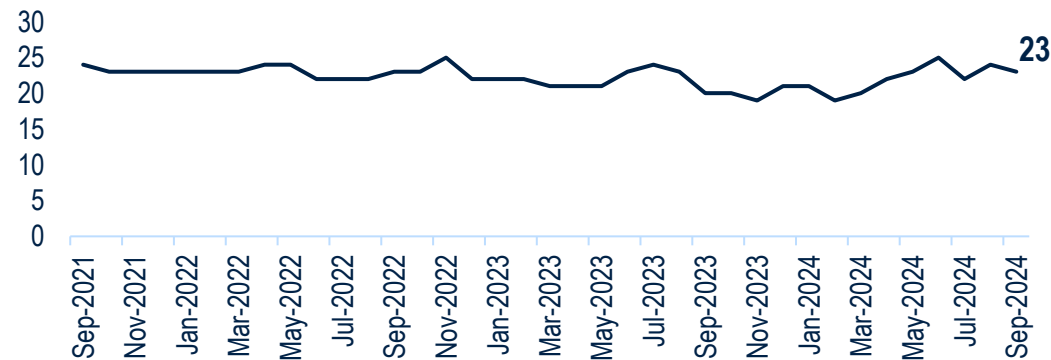
Cash Levels



Weight of Top 10 Holdings

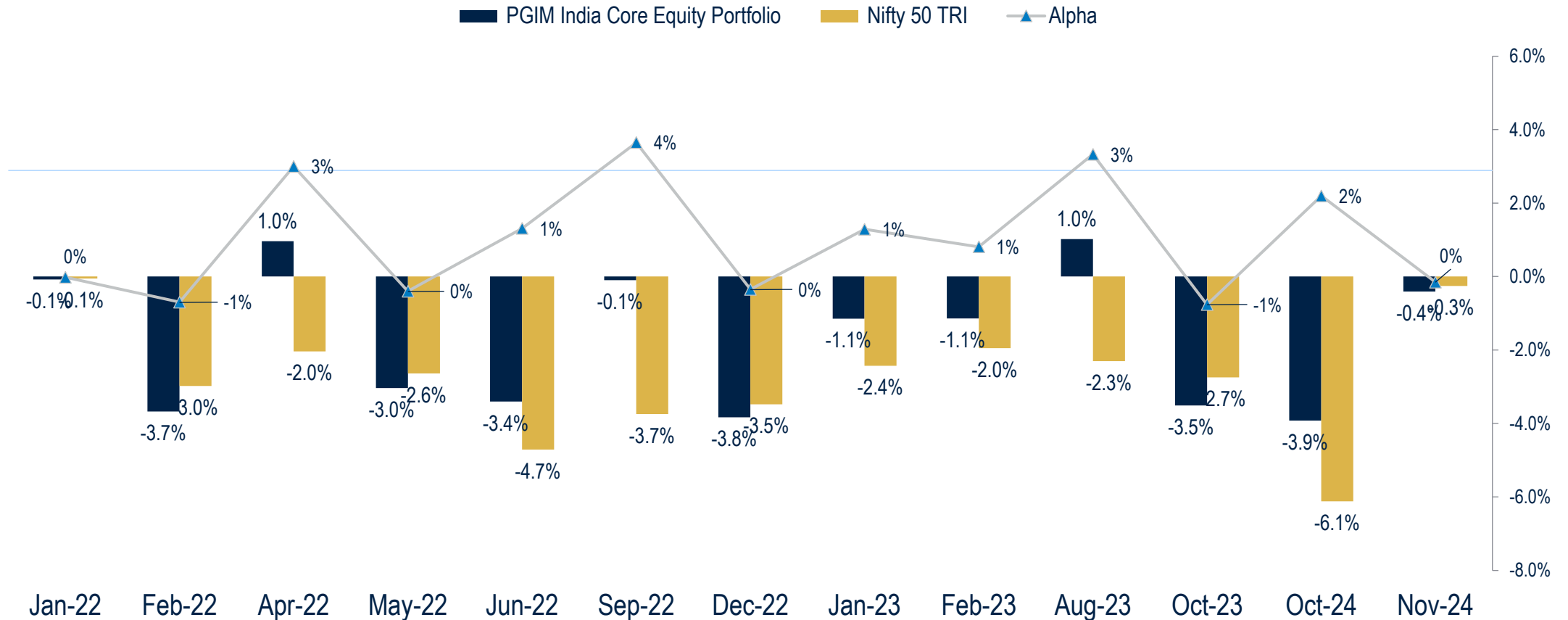


Number of Holdings (Excl Cash)



Historically, the portfolio has held an average of 22 stocks with 6% in cash, and the top 10 holdings have accounted for an average of 53% of the portfolio

PGIM India Core Equity Portfolio – Downside Protection



PGIM India Core Equity Portfolio has historically provided an average outperformance of 2.2% during benchmark downturns, demonstrating strong downside protection. PGIM India Core equity Portfolio has outperformed in ~54% of months with negative benchmark returns.

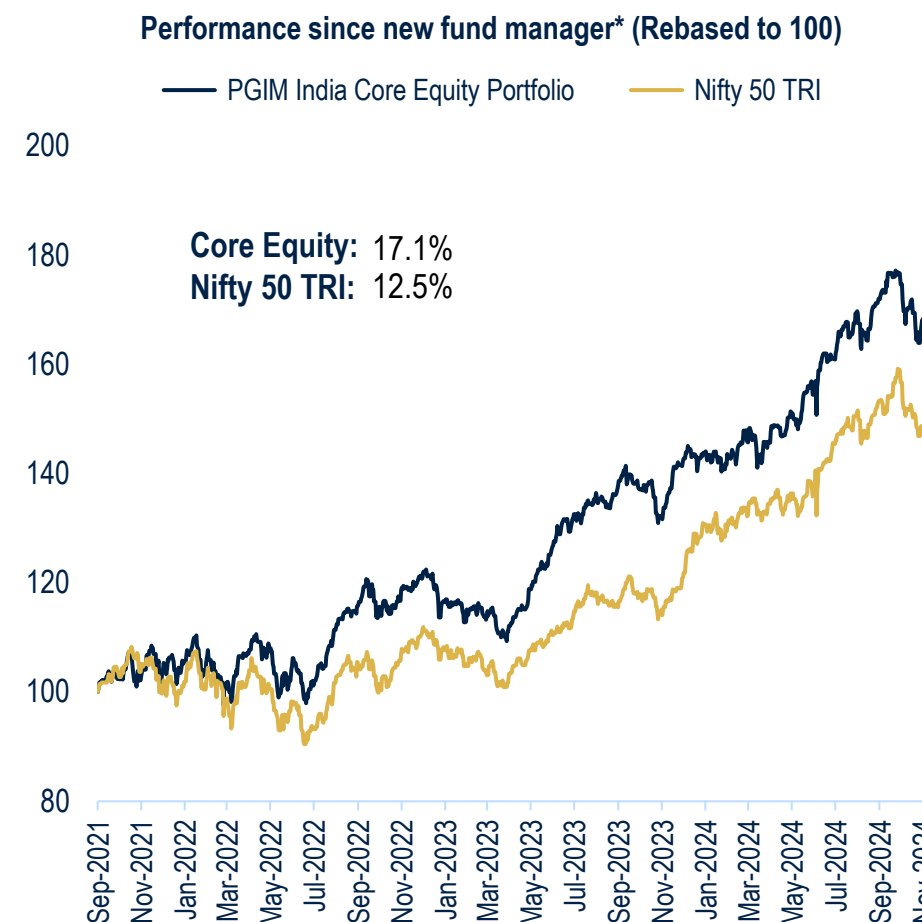
Source: PGIM India Internal, Bloomberg Data from 30-Sep-21 to Nov 30, 2024. The data represented is for the Actual portfolio.

PGIM India Core Equity Portfolio - Performance

Period	Portfolio	Nifty 50 TRI*
1 Month	-0.4%	-0.3%
3 Months	-2.8%	-4.2%
6 Months	8.2%	7.8%
1 Year	17.3%	21.3%
3 Years	17.3%	13.8%
5 Years	17.8%	16.2%
Since Inception	16.2%	14.6%
Portfolio Turnover Ratio*	1.39	-

*Portfolio Turnover ratio for the period November 30, 2023 to November 30, 2024

Financial Year Returns	PGIM India Core Equity Portfolio	Nifty 50 TRI*
Apr 01, 2018 – Mar 31, 2019	3.8%	16.4%
Apr 01, 2019 – Mar 31, 2020	-23.7%	-25.0%
Apr 01, 2020 – Mar 31, 2021	53.2%	72.5%
Apr 01, 2021 – Mar 31, 2022	23.9%	20.3%
Apr 01, 2022 – Mar 31, 2023	4.8%	0.6%
Apr 01, 2023 – Mar 31, 2024	29.9%	30.1%
Apr 01, 2024 – Nov 30, 2024	14.7%	9.2%



Data from 30-Sep-21 to 30-Nov-2024

Top 10 Contributors: Multi-Sector, Multi-Size Winners

Top 10 Winners	Size	GICS Sectors	Average Weight	Total Returns	Part of Nifty 50
Bharat Electronics Ltd	Large Cap	Industrials	5.0%	360%	No
Kei Industries Ltd	Mid Cap	Industrials	3.1%	185%	No
Power Grid Corp Of India Ltd	Large Cap	Utilities	4.1%	147%	Yes
Phoenix Mills Ltd	Mid Cap	Real Estate	4.2%	116%	No
Timken India Ltd	Small Cap	Industrials	4.6%	60%	No
ITC Ltd	Large Cap	Consumer Staples	2.4%	98%	Yes
Cummins India Ltd	Large Cap	Industrials	3.1%	81%	No
Computer Age Management Services Ltd	Small Cap	Financials	1.8%	75%	No
FDC Ltd	Small Cap	Health Care	2.5%	60%	No
ICICI Lombard General Insurance Ltd	Large Cap	Financials	2.2%	68%	No

- **Our stock selection spans across various sectors, reducing dependency on a single sector's performance.**
- **Strong returns from stocks outside of the benchmark highlight our active, unconstrained approach.**
- **Diverse allocation across large, mid, and small-cap stocks contributes to the portfolio returns**

Fund Facts

Portfolio Name	PGIM India Core Equity Portfolio
Investment objective	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.
Types of Securities	Funds would be predominantly invested in listed equity and equity related instruments.
Basis of Selection	The portfolio will identify and invest in companies with strong fundamentals which are available at a reasonable price when seen considering 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.
Portfolio allocation	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.
Investment Horizon	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.
Risk associated	Please refer to Disclosure document at www.pgimindiapms.com
Benchmark Index	Nifty 50 TRI
Principal Officer	Surjitt Singh Arora

Experienced Investment Management Team



About the fund manager



Surjitt Singh Arora
Principal Officer - PMS
PGIM India Asset Management

Surjitt Singh Arora is a Principal Officer – Portfolio Management Services at PGIM India Asset Management Private Limited. He is the Portfolio Manager for PGIM India Phoenix Portfolio, PGIM India Core Equity Portfolio, and PGIM India Equity Portfolio, PGIM India Equity Portfolio – Series I (High conviction themes), PGIM India Equity Portfolio – Series II.

Surjitt Singh Arora has more than 18 years of rich work experience in the Equity Markets. In his last stint, Surjitt was Head - PMS and Head - Principal Officer with Tata Asset Management, where he was managing Tata ACT and Tata Emerging Opportunities Portfolio. Prior to that, he was an 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 Studies, Research and Entrepreneurship Education (SIMSREE), Mumbai.



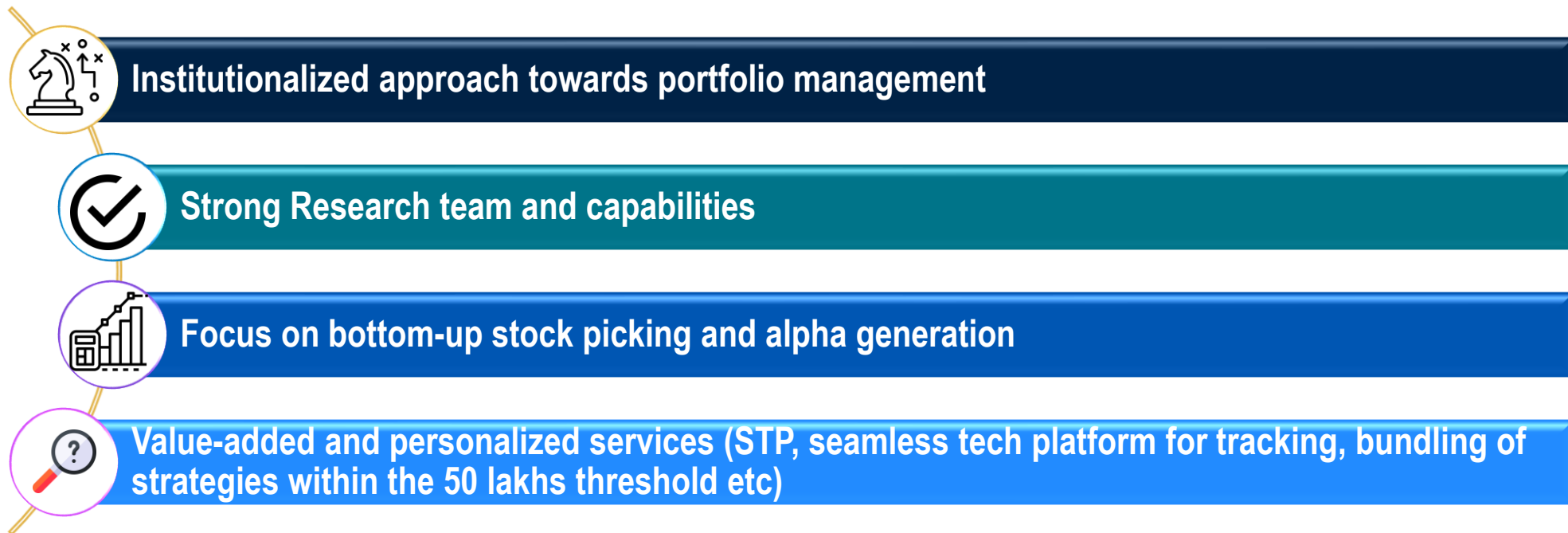
PGIM

**India Portfolio
Management Services**

- ✓ Global legacy of more than 140 years
- ✓ Indian PMS business track record of over a decade

PGIM India Portfolio Management Services (PMS) : Overview

- PGIM India PMS was launched over a decade ago in 2013. PMS business has seen multiple market cycles.
- Currently PGIM India PMS is managing over Rs. 400 crores across multiple strategies
- Guided by an experienced fund management team with over 50+ years of combined experience in capital markets



PGIM – A Global Player



**A leading global
investment manager**

**1400+
investment
professionals**

**41
OFFICES**

**19
COUNTRIES**

Disclaimer (1/2)

November, 30, 2024

The holding represents the top 10 holdings and the top 6 GICS Sector Name of PGIM India Core Equity Portfolio - Regular Portfolio based on all client portfolios existing excluding any temporary cash investments as of November, 30, 2024. The said holdings do not represent the model portfolio being offered to the clients (including prospective clients). 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 said stocks. The said 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 said 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.

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.

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Disclaimer (2/2)

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 a period up to 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, the 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.

Please note that the performance of your portfolio may vary from that of other investors and that generated by the Investment Approach across all investors because of

- 1) the timing of inflows and outflows of funds; and
- 2) differences in the portfolio composition because of restrictions and other constraints.

Disclaimers and Risk Factors:

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Dated:
06-Nov-2024

Document Number: C160/2024-25