PGIM
India Mutual Fund

Add a match winner to your portfolio.

Invest in

PGIM INDIA MIDCAP OPPORTUNITIES FUND

Mid Cap Fund- An open ended equity scheme predominantly investing in mid cap stocks

Be it cricket or investment, to score more, one has to play on the front foot. Presenting PGIM India Midcap Opportunities Fund which invests in quality mid-cap stocks based on extensive research and thorough selection process.

The fund tends to offer you greater growth potential as compared to large cap stocks, and also with less volatility and risk as compared to small cap stocks. Thus giving your investment portfolio a winning edge.

#ChooseAMatchWinner

Why invest in PGIM India Midcap Opportunities Fund?

PGIM India Midcap Opportunities Fund identifies quality midcap stocks which can benefit from a favorable economic environment.

Investment Strategy

- The fund focuses on investing into midcap companies, with primarily a bottom-up stock selection approach. The portfolio manager looks for companies with good capital allocation, Sector dominance or companies which are able challengers and strong financials. Parameters such as high RoE, ability to generate positive cash flows consistently and low leverage are given prime importance in stock selection. The fund is benchmark aware but not benchmark hugging.

Portfolio Positioning*

The fund manager approximately follows the below mentioned allocation while constructing his portfolio:

- Top 40-45% of portfolio - Companies with stable earnings and strong earnings visibility
- Middle 40-45% of portfolio - Companies with strong earnings growth
- Bottom 10-20% of portfolio - Turn around stories/ good companies going through bad times with significant potential for alpha generation

Who should invest?

PGIM India Midcap Opportunities Fund is typically suited for investors seeking long term capital appreciation through an investment in the equity of mid cap companies.

Portfolio Positioning

Top 3 Sectors Overweight	% Overweight
Materials	9.06
Information Technology	8.11
Industrials	5.56
Top 3 Sectors Underweight	**% Underweight**
Consumer Discretionary	8.05
Financials	5.40
Utilities	3.95
Top 5 Stocks Overweight	**% Overweight**
ACC Ltd	3.63
Bayer Cropscience Ltd	2.69
Muthoot Finance Ltd	2.45
Bharat Rasayan Ltd	2.44
Natco Pharma Ltd	2.42
Top 5 Stocks Underweight	**% Underweight**
Apollo Hospitals Enterprise	2.68
Shriram Transport Finance	2.39
Jubilant Foodworks Ltd	2.28
ZEE Entertainment Enterprise	2.09
MRF Ltd	1.92

The above weights are in comparison to the benchmark.

Source: Bloomberg and Internal Research. The above data as on November 30, 2020.

Portfolio Metrics

	Portfolio	Nifty Midcap 100 TR Index
Return on Equity	15.2%	2.2%
Debt / Equity (ex-financials)	29.7%	197.9%
FY 22E Price / Earning Ratio	20.1	24.2
Beta	0.88	1.00

Source: Bloomberg and Internal Research. The above data as on November 30, 2020.

Portfolio Composition

	Portfolio	Nifty Midcap 100 TR Index
Number of stocks	47	100
Portfolio overlap with	—	28.1%
Large caps (1st-100th stock)	4.3%	1.9%
Mid caps (101st-250th stock)	66.6%	95.4%
Small caps (251st stock onwards)	24.9%	2.3%
Cash	2.5%	0.0%
Market Cap yet to be classified by AMFI	1.7%	0.40%
Top 10 holding	32.3%	21.3%
Avg Market Cap - Crore	19,036	22,125

Source: Bloomberg and Internal Research. The above data as on November 30, 2020.

Portfolio (Top Ten Holdings) as on November 30, 2020

Issuer	% to Net Assets
Coforge Ltd.	3.95
ACC Ltd.	3.62
Dixon Technologies (India) Ltd.	3.53
Natco Pharma Ltd.	3.43
Cholamandalam Investment & Finance Company Ltd.	3.30
The Federal Bank Ltd.	3.22
Max Financial Services Ltd.	3.10
Voltas Ltd.	3.08
P I Industries Limited	3.05
Whirlpool Of India Ltd.	2.78

Performance

	Fund		Nifty Midcap 100 TR Index^		NIFTY 50 TR Index #	
Period	**Returns (%)**	**Value (INR)***	**Returns (%)**	**Value (INR)***	**Returns (%)**	**Value (INR)***
Regular Plan						
Last 1 Year	42.24	14,238.07	15.56	11,560.53	8.72	10,874.14
Last 3 Years	8.20	12,671.72	0.65	10,197.69	9.61	13,172.28
Last 5 Years	10.29	16,327.58	9.45	15,710.94	11.73	17,426.38
Since Inception	14.32	25,490.00	15.58	27,515.41	12.47	22,736.00
Direct Plan						
Last 1 Year	44.72	14,486.55	15.56	11,560.53	8.72	10,874.14
Last 3 Years	10.02	13,320.70	0.65	10,197.69	9.61	13,172.28
Last 5 Years	11.81	17,485.31	9.45	15,710.94	11.73	17,426.38
Since Inception	15.59	27,540.00	15.58	27,515.41	12.47	22,736.00

Date of Inception: Regular Plan: December 02, 2013; Direct Plan: December 02, 2013. All the above returns are of Growth Option and CAGR. CAGR – Compounded Annual Growth Rate. ^ Scheme Benchmark. # Standard Benchmark. *Based on standard investment of ₹ 10,000 made at the beginning of the relevant period. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. Different plans have a different expense structure. Aniruddha Naha is managing this fund since April 05, 2018. The above returns are as on November 27, 2020.

Performance of other funds managed by Fund Manager Aniruddha Naha as on November 27, 2020

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
PGIM India Diversified Equity Fund	27.73	9.88	11.64	April 05, 2018
Nifty 500 TR Index^	10.36	6.64	11.23	

^ Benchmark. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments. The above returns are of Regular Plan - Growth Option of respective schemes. All the above returns are CAGR. CAGR - Compounded Annual Growth Rate. Different plans have a different expense structure. Mr. Aniruddha Naha is managing 2 schemes of PGIM India Mutual Fund. On account of difference in scheme features, the performance of these schemes are not strictly comparable. Please refer www.pgimindiamf.com for details on performance of all schemes (including Direct Plan).

*These are based on the fund manager's current outlook and are subject to change.

Fund Manager's View

The market that was

The Nifty50 Index rose sharply in November (+11.4%), touching new lifetime highs and outperforming regional markets such as Indonesia, Taiwan, Hong Kong, Malaysia, and Philippines. A gradual improvement in economic activity, driven by pent-up and festive demand, pick-up in manufacturing activity and a much better results season compared to expectations are key reasons for the current rally. The broader markets also outperformed with Nifty Midcap rising 15.5% and Small Cap rising 13%.

The Indian markets were further supported by a global risk-on rally which was driven Joe Biden winning the US Presidential elections, positive news flows around COVID19 vaccination and dollar weakness (DXY fell by -2.3% in Nov). Emerging markets saw strong FII inflows during the month, and India received its highest ever monthly inflow of US$ 9.4 billion (a little over US$ 2 billion could be attributed to MSCI re-balance and increase in Foreign Ownership limits).

Banking, Metals and Automobile sectors were the key outperformers during the month. The Banking sector witnessed a sharp rally (+23%) on the back of inexpensive valuations, better collection efficiency levels and reducing asset quality pressures. Metal stocks (+24%) rallied on the back of dollar weakness and Automobile sector (+14%) due to pent-up demand and gradual re-opening of the manufacturing sector. However, defensive sectors such as I.T., Pharmaceuticals and FMCG lagged.

On the COVID-19 front, there is a marked improvement and relief. After touching a peak of about 97,000 new cases per day in September, there is a gradual decline to about 30,000 cases in mid-November. Though cases spurted after the festive season, the last few days again saw a drop in new cases to about 40,000 per day.

GDP declined by -7.5% y/y in 2Q (vs -23.9% in 1Q) which was much better than street expectations, led by the manufacturing sector which reported flat growth during the 2Q v/s -39% yoy decline in 1Q. India's fiscal deficit widened to over Rs9.5 trn, or 127% of the annual target as of October end. The India Manufacturing PMI declined to 56.3 in November 2020 from 58.9 in October, below market consensus of 57.3. This was the lowest reading in three months, but the latest reading was still consistent with a sharp rate of expansion, amid ongoing loosening of COVID-19 restrictions.

2QFY21(June-September) net profits of the Nifty50 Index increased by 16.4% yoy versus expectation of marginal decline. EBITDA increased by 9.4% yoy versus expectations of a 2.5% decline. Almost all sectors performed well with most sectors beating estimates. The better-than-expected results reflect (1) stronger-than-expected sales and volumes across sectors and (2) lower-than-expected costs as companies continue to maintain tight control on costs. Aggregate consensus for FY21 and FY22 earnings saw upward revision after the results.

After turning buyers in October, FIIs turned even more aggressive in November and recorded their highest ever monthly net inflow into India equities. FIIs net bought in November to the tune of US$ $9.4bn, taking their YTD inflows to close to US$ 16bn. On the domestic front, DIIs remained sellers due to redemption pressures and sold worth US$ 6.5bn during the month.

Fund Manager's View

After a sharp rise in global and EM markets during the month, we can expect some consolidation in the near term. The gradual opening of the manufacturing sector, moderation in GDP decline and much better Q2 earnings season vs expectations are some of the positives as India adjusts to the new normal. This time we expect the rural economy to lead the recovery vs urban markets as it has been less affected by the COVID19 crisis.

Positive developments around fast-acting medications or vaccines for COVID19 would be a key supporting factor for global as well as Indian equity markets. India will continue to remain one of the fastest growing emerging markets in the world and potential long-term equity returns will continue to attract sizeable inflows. In terms of earnings, while FY21 is likely to be a muted year (primarily because of the pandemic), recovery expectations in H2 and a healthy exit run rate would provide a robust platform for earnings growth recovery from FY22 onwards. As companies and economies are adjusting to a newer normal, structural changes are taking place across multiple sectors. While some changes may be temporary, some changes are here to stay. We all are adapting to the same, and we are mindful of the same in our portfolios as well as in our endeavor to provide better risk-adjusted returns to our investors.

Key Features

Benchmark Index:
Nifty Midcap 100 TR Index

Fund Manager:
Mr. Aniruddha Naha

Exit load:

(w.e.f. July 20, 2020) 1% - If the units are redeemed on or before completion of 1 month from the date of allotment of units; Nil - If the units are redeemed after completion of 1 month from the date of allotment of units; Nil - If the units are switched / STP into any schemes of PGIM India Mutual Fund.

No exit load will be charged for switches and STP between Schemes of PGIM India Mutual Fund except from PGIM India Insta Cash Fund.

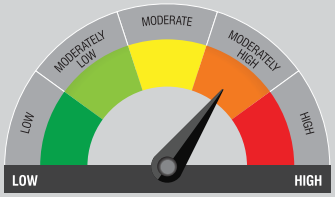
Return on Equity: Return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. **Debt/Equity (ex-financials):** Debt/Equity Ratio is a debt ratio used to measure a company's financial leverage, calculated by dividing a company's total liabilities by its stockholders' equity. The D/E ratio indicates how much debt a company is using to finance its assets relative to the amount of value represented in shareholders' equity. (Ex-Financials means excluding Banks and NBFCs). **Price/Earnings:** The price-earnings ratio (P/E Ratio) is the ratio for valuing a company that measures its current share price relative to its per-share earnings. **Beta:** Beta is a measure of an investment's volatility vis-à-vis the market. Beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.

Riskometer

This product is suitable for investors who are seeking*:

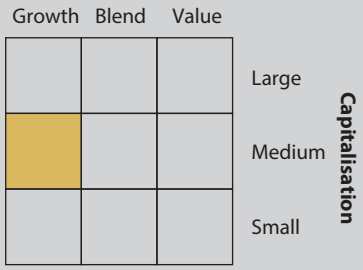
- Capital appreciation over long run.
- To achieve long term capital appreciation by predominantly investing in equity and equity related instruments of mid cap companies.
- Degree of risk – MODERATELY HIGH

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



Investors understand that their principal will be at moderately high risk

Investment Style Box



The views of the Fund Manager should not be construed as an advice and investors must make their own investment decisions regarding suitability of the funds based on their specific investment objectives and financial positions and using such independent advisors as they believe necessary.

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.