



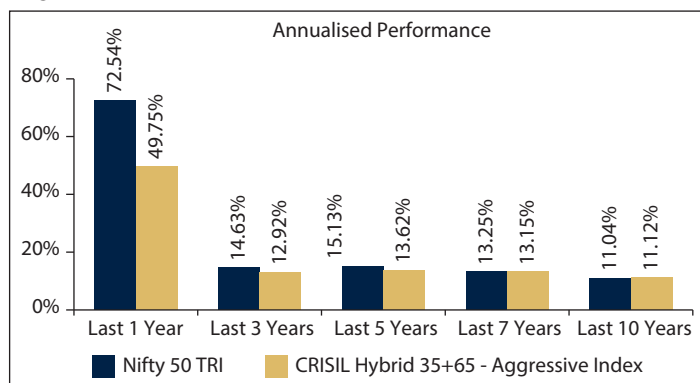
# PGIM INDIA HYBRID EQUITY FUND

An open ended hybrid scheme investing predominantly in equity and equity related instruments

March 2021

## Keeping the Balance.....Right.....

Generally, Hybrid funds have generated returns with low volatility over the long term.



Annualised Returns as on March 31, 2021. Source: AMFI & Bloomberg

The debt component of the benchmark is TRI since inception. For equity component of the benchmark, i.e. S&P BSE 200 PRI value is used till 31st July 2006 and TRI is used since 1st Aug 2006. Past performance may or may not be sustained in future.

A hybrid fund provides significantly low volatility vis-à-vis an equity portfolio

Index	Volatility (Annualized)
NIFTY 50 TR Index	18.50%
CRISIL Hybrid 35+65 - Aggressive Index	11.55%

As on March 31, 2021. Source: Internal Research. The above measures are based on Standard deviation and are for the last 6 years.

## Why invest in PGIM India Hybrid Equity Fund?

The PGIM India Hybrid Equity Fund strives to provide the best of both the worlds. It seeks to provide exposure to both the asset classes - equity and debt. Such an asset allocation provides investors the following benefits

- Significant equity exposure with the opportunity to benefit from potential high returns in equity
- Income generation from the significant allocation to debt instruments
- The diversification in asset classes provides a potential hedge from the underperformance of either asset class
- Lower volatility than an equity fund as the debt component and the lower allocation to equity tends lower the portfolio volatility
- Investors also benefit from the tax efficiency of the scheme as it is considered an equity oriented fund for the purpose of taxation.

## The Investment Mandate

### The Expected positioning :

- Equity investments of 65-80% (including arbitrage); and
- Debt investments of about 20-35%.
- Units issued by InVITs and REITs

## Current Portfolio Positioning\*

### Equity Allocation

- We look for market share gainers and steady compounders, i.e. stocks that have delivered consistent & superior earnings growth & performance.
- Market share gainers are companies growing faster than the segment in which they operate.
- Steady Compounders are high growth and high quality companies with consistently high ROE.
- These stocks usually trade at higher multiples, but do not appear expensive on a PEG basis.
- Number of stocks : 30-45 (Unhedged)

### Arbitrage and Fixed Income Allocation

**Arbitrage:** Plain vanilla arbitrage strategies of buying stock in cash and selling its futures to capture the arbitrage opportunities through premium / dividend.

**Fixed Income:** Our approach is to run a quality portfolio to provide stable returns with low volatility. Currently, fixed income portfolio seeks to maintain average maturity of short to medium Term.

## Who should invest?

PGIM India Hybrid Equity Fund is ideal for investors with an investment horizon of 3-5 years, seeking to invest in a diversified and balanced portfolio of debt and equity instruments.

## Portfolio Positioning (Equity Allocation)

Top 3 Sectors Overweight	% Overweight
Industrials	8.52
Health Care	2.90
Consumer Discretionary	1.56
Top 3 Sectors Underweight	% Underweight
Consumer Staples	7.50
Information Technology	5.71
Financials	3.61
Top 5 Stocks Overweight	% Overweight
Graphite India Ltd	4.60
City Union Bank Ltd	4.33
HDFC Bank Limited	3.77
Kotak Mahindra Bank Ltd	3.69
ICICI Prudential Life Insura	2.54
Top 5 Stocks Underweight	% Underweight
Infosys Ltd	6.05
Housing Development Finance	5.44
ICICI Bank Ltd	4.85
Hindustan Unilever Ltd	2.62
Larsen & Toubro Ltd	2.07

The above weights are in comparison to the BSE 200.

Source: Bloomberg and Internal Research. The above data as on March 31, 2021.

## Portfolio Metrics (Equity Allocation)

	Portfolio	BSE 200
Return on Equity	14.5%	8.9%
Debt / Equity (ex-financials)	28.2%	69.1%
FY 22E Price / Earning Ratio	24.4	22.3

Source: Bloomberg and Internal Research. The above data as on March 31, 2021.

## Portfolio Composition\* (Equity Allocation)

	Portfolio	BSE 200
Number of stocks	43	201
Portfolio overlap with	—	32.1%
Large caps (1st-100th stock)	58.1%	87.0%
Mid caps (101st-250th stock)	24.3%	13.0%
Small caps (251st stock onwards)	17.6%	0.0%
Market Cap yet to be classified by AMFI	0.0%	0.1%
Top 10 holding	54.5%	45.4%
Avg Market Cap - Crore	3,31,775	3,87,225

Source: Bloomberg and Internal Research. The above data as on March 31, 2021.

## Portfolio (Top Ten Holdings) as on March 31, 2021

Issuer	% to Net Assets
HDFC Bank Ltd.	8.55
Reliance Industries Ltd.	5.22
Kotak Mahindra Bank Ltd.	4.96
Tata Consultancy Services Ltd.	3.67
City Union Bank Ltd.	3.43
Axis Bank Ltd.	3.06
Graphite India Ltd.	3.03
Relaxo Footwears Ltd.	1.88
Bayer Cropscience Ltd.	1.84
Timken India Ltd.	1.84

## Performance

Period	Fund		CRISIL Hybrid 35+65 - Aggressive Index <sup>^</sup>		Nifty 50 TR Index #	
	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
<b>Regular Plan</b>						
Last 1 Year	49.49	14,949.16	49.75	14,975.26	72.54	17,253.52
Last 3 Years	7.95	12,581.31	12.92	14,404.93	14.63	15,069.22
Last 5 Years	8.91	15,328.36	13.62	18,944.14	15.13	20,235.91
Since Inception	13.06	82,340.00	12.49	75,514.26	14.30	99,414.17
<b>Direct Plan</b>						
Last 1 Year	51.93	15,193.04	49.75	14,975.26	72.54	17,253.52
Last 3 Years	9.60	13,169.59	12.92	14,404.93	14.63	15,069.22
Last 5 Years	10.53	16,498.50	13.62	18,944.14	15.13	20,235.91
Since Inception	11.68	24,868.46	12.36	26,144.32	12.95	27,299.71

Date of Inception: Regular Plan: January 29, 2004, Direct Plan: January 01, 2013. All the above returns are of Growth Option and CAGR. CAGR – Compounded Annual Growth Rate. <sup>^</sup> 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. Alok Agarwal (Equity Portion) is managing this scheme since June 2016 and Kumaresh Ramakrishnan (Debt Portion) is managing this scheme since April 05, 2018 and Mr. Anandha Padmanabhan (Overseas Investments) is managing this scheme since March 19, 2021. The above returns are as on March 31, 2021. For details of other schemes managed by Alok Agarwal and Kumaresh Ramakrishnan please see overleaf.

The Equity allocation has been compared to the BSE 200 as the benchmark CRISIL Hybrid 35+65-Aggressive Index comprises of BSE TRI & CRISIL Composite Bond Fund Index (65%)

<sup>^</sup>For PGIM India Hybrid Equity Fund, the BSE 200 has been used for comparison (The benchmark CRISIL Hybrid 35+65 - Aggressive Index comprises of BSE 200 (65%), CRISIL Composite Bond Fund Index (35%))The data pertains to only the unhedged equity allocation of the portfolio (68.41% of the total portfolio as on March 31, 2021) and compared to the data of the BSE 200.

**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.

## IDCW\*\* History

Record Date	Regular Plan		Direct Plan	
	IDCW**/ unit (₹)#	NAV (₹)	IDCW**/ unit (₹)#	NAV (₹)
<b>IDCW**</b>				
25-Sep-20	0.22	11.74	0.39	19.38
31-Dec-20	0.23	13.59	0.43	22.48
26-Mar-21	0.25	13.67	0.45	22.64
<b>Monthly IDCW**</b>				
18-Jan-21	0.12	21.47	0.14	22.50
17-Feb-21	0.13	22.26	0.15	23.34
17-Mar-21	0.13	21.80	0.15	22.87
<b>Quarterly IDCW**</b>				
28-Jun-18	—	—	0.0010	16.65
28-Sep-18	—	—	0.0885	16.83
31-Dec-20	0.35	20.21	0.39	20.73

# On face value of ₹ 10. Post IDCW\*\* per unit NAV will fall to the extent of the payout and applicable tax/surcharges/cess/other statutory levies. IDCW\*\* distribution is subject to availability of distributable surplus. Past Performance may or may not be sustained in future.

\*\*Income Distribution cum Capital Withdrawal option

## Key Measures (Debt Allocation):

Average Maturity:	0.41 yrs
Modified Duration:	0.38 yrs
Portfolio Yield:	3.72%

Source: Bloomberg and Internal Research. The above data as on March 31, 2021.

## Performance of other funds managed by Fund Manager Alok Agarwal as on March 31, 2021

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
PGIM India Global Equity Opportunities Fund	64.05	28.48	18.92	July 2017
MSCI All Country world Index <sup>^</sup>	47.74	14.34	13.33	
PGIM India Large Cap Fund	61.82	11.22	11.84	July, 2017
Nifty 50 TR Index <sup>^</sup>	72.54	14.63	15.13	
PGIM India Dual Advantage Fund - Series 1 <sup>#</sup>	18.85	5.62	—	March 2017
CRISIL Hybrid 85+15 - Conservative Index <sup>^</sup>	16.57	10.14	—	
PGIM India Equity Savings Fund <sup>#</sup>	22.18	7.00	7.24	August 2016
70% Nifty 50 Arbitrage + 30% Nifty 50 TRI <sup>^</sup>	20.36	8.05	8.21	

## Performance of other funds managed by Fund Manager Kumaresh Ramakrishnan as on March 31, 2021

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
<b>Top 3 Schemes Performance (%)</b>				
PGIM India Dual Advantage Fund - Series 1	18.85	5.62	—	March 2017
CRISIL 85+15 Conservative Index <sup>^</sup>	16.57	10.14	—	
PGIM India Fixed Duration Fund - Series AT	13.76	6.05	—	March, 2018
CRISIL Composite Bond Fund Index <sup>^</sup>	7.69	8.99	—	
PGIM India Fixed Duration Fund - Series AR	12.68	6.42	—	March, 2018
CRISIL Composite Bond Fund Index <sup>^</sup>	7.69	8.99	—	
<b>Bottom 3 Schemes Performance (%)</b>				
PGIM India low Duration Fund	1.64	-0.55	2.71	August 2008
CRISIL Low Duration Debt Index <sup>^</sup>	6.46	7.57	7.65	
PGIM India Overnight Fund	3.05	—	—	August 2019
Nifty 1 Day Rate Index <sup>^</sup>	3.08	—	—	
PGIM India Insta Cash Fund	3.60	5.77	6.28	January 2011
NIFTY Credit Risk Bond Index <sup>^</sup>	4.07	6.02	6.40	

## Performance of other funds managed by Fund Manager A. Anandha as on March 31, 2021

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
PGIM India Flexi Cap Fund*	95.49	16.75	16.60	January 31, 2021
Nifty 500 TR Index <sup>^</sup>	77.58	12.66	15.16	
PGIM India Emerging Markets Equity Fund	46.64	9.10	8.38	October 24, 2020
MSCI Emerging Markets Index <sup>^</sup>	50.58	8.09	11.71	

<sup>^</sup> 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. Alok Agarwal is managing 5 schemes, Mr. Kumaresh Ramakrishnan is managing 22 schemes and Mr. Anandha Padmanabhan (Overseas Investments) is managing 4 schemes of PGIM India Mutual Fund as on March 31, 2021. Top three and bottom three schemes managed by the fund manager have been derived on the basis of last one year performance ending on March 31, 2021. On account of difference in scheme features, the performance of these schemes are not strictly comparable. Please refer [www.pgimindiamf.com](http://www.pgimindiamf.com) for details on performance of all schemes (including Direct Plan).

### Key Features



**Benchmark Index:**  
CRISIL Hybrid 35+65 - Aggressive Index



**Fund Manager:**  
Mr. Alok Agarwal and Mr. Kumaresh Ramakrishnan



**Application Amount:** Minimum of ₹ 5000/- and in multiples of ₹ 1/- thereafter.

**Minimum additional investment amount:** Minimum of ₹ 1000/- and in multiples of ₹ 1/- thereafter.

**Minimum repurchase / redemption amount:** Minimum of ₹ 1000/- and in multiples of ₹ 1/- thereafter or account balance, whichever is lower.



**Exit load:** 10% of the units allotted may be redeemed/switched-out to debt schemes/PGIM India Arbitrage Fund without any exit load within 90 days from the date of allotment of units; Any redemptions/switch-outs in excess of the abovementioned limit would be subject to an exit load of 0.50%, if the units are redeemed/switched-out to debt schemes/PGIM India Arbitrage Fund within 90 days from the date of allotment of units; Nil - If the units are redeemed/switched-out after 90 days from the date of allotment of units.

No exit load will be charged for switches and STP between any open-ended equity schemes, hybrid schemes (except PGIM India Arbitrage Fund) and fund of funds schemes.

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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.

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

### Riskometer

This product is suitable for investors who are seeking\*:

- Capital growth over the long term
- Investing predominantly in equity and equity related securities.
- Degree of risk – VERY 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 very high risk