



PGIM
India Mutual Fund

Gain from experience

PGIM INDIA SMALL CAP FUND

(An open-ended equity scheme predominantly investing in small cap stocks)



February 2023



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PGIM India – Equity Investment Process

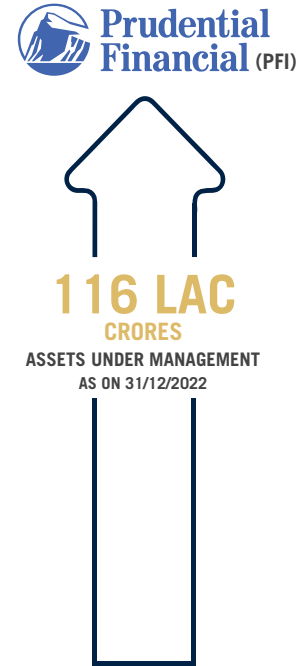
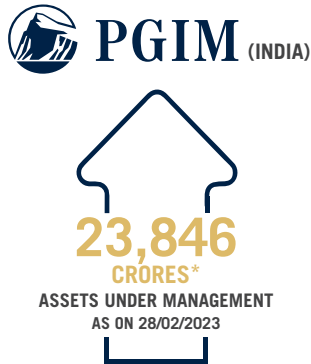
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Why Small Cap?

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Why PGIM India Small Cap Fund?

About Us



Source: www.pgim.com and www.prudential.com. *For AUM Breakup please refer slide no. 27

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About Us

Global Footprint



Global Depth & Scale

A leading global investment manager	1400+ investment professionals	47 OFFICES	18 COUNTRIES
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Source: www.pgim.com

PGIM India Asset Management

PGIM India Mutual Fund is a wholly owned business of PGIM, the global investment management business of the US based PFI.

Network
27 CITIES

No of open-ended
Investment products
EQUITY FUNDS - 12
FIXED INCOME - 11

Differentiated
**ASSET
ALLOCATION
SOLUTIONS**

10000+
DISTRIBUTORS

Investment Team size
17

Total no. of years of
experience of
investment team
263 YEARS

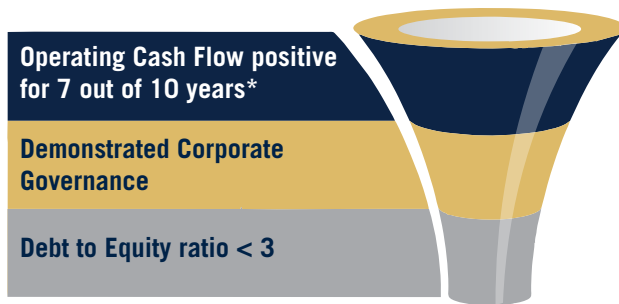
**PORTFOLIO MANAGEMENT
SERVICES: STRATEGIES - 2**

PGIM India Core Equity Portfolio
PGIM India Phoenix Portfolio

PGIM India – Equity Investment Process

Investment Process Overview

Assessing the ability to survive the cycles. Three factors for inclusion in investment universe.



Abundantly available in India



Companies strong on either are in focus for evaluation

* In companies with less than 10 years of data available, at least 70% of the years should have generated positive operating cash flows.

Investment Philosophy

A disciplined approach to Investment Management

Respect for Capital

Strong focus on Return on Capital Employed (RoCE) & Return on Equity (RoE)

Operating Leadership

A leader or competent challenger in its operating space

Sector Dominance

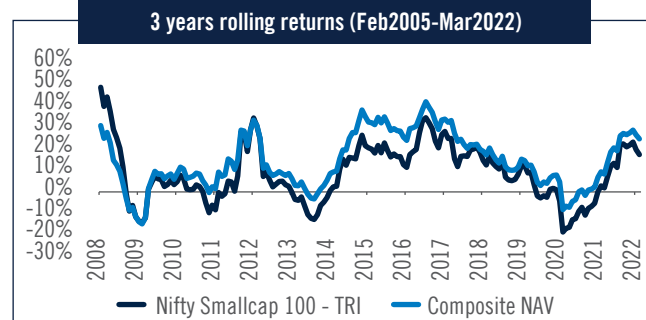
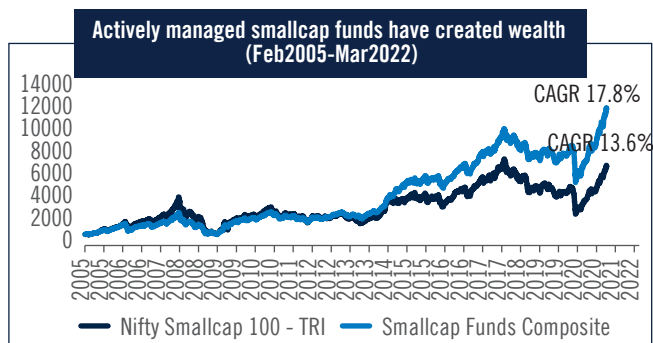
- Favour industries gearing up for consolidation
- Avoid industries slated for fragmentation

Solid Financials

- Conservative debt
- Positive operating cash flows
- Strong projected cash flow generation

Why Small Caps?

Smallcaps: Potential to create wealth and generate alpha



- Actively managed funds within the smallcap space have delivered alpha in the past
- Due to the under-researched nature of the smallcap segment, opportunity for stock picking continues to exist

Source: AceMF, PGIM India. Smallcap Funds Composite is an equal weighted index of regular plans of all smallcap funds in the industry with an Aum of atleast 500 crores as of March 2022.

Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Smallcaps: Potential to create wealth and generate alpha

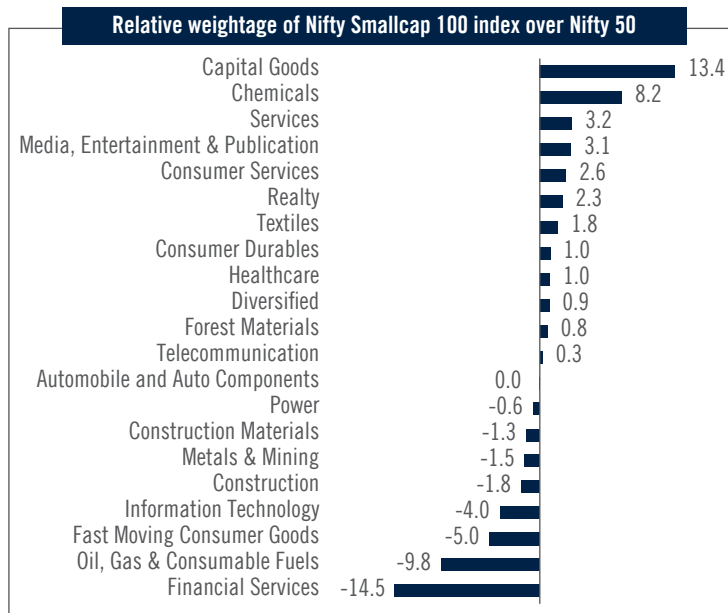
	Nifty Smallcap 100 TRI Index	Smallcap Funds Composite
No. of observations	170	170
No. of observations having negative return	42	18
% observation for negative return	25%	11%
Minimum return	-18.70%	-14.90%
Maximum return	48.70%	41.90%
Average return	9.10%	14.50%

- Historically, actively managed funds have also been able to contain downside in tough times, compared to the smallcap index

Source: AceMF, PGIM India. Smallcap Funds Composite is an equal weighted index of regular plans of all smallcap funds in the industry with an Aum of atleast 500 crores as of March 2022.

Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

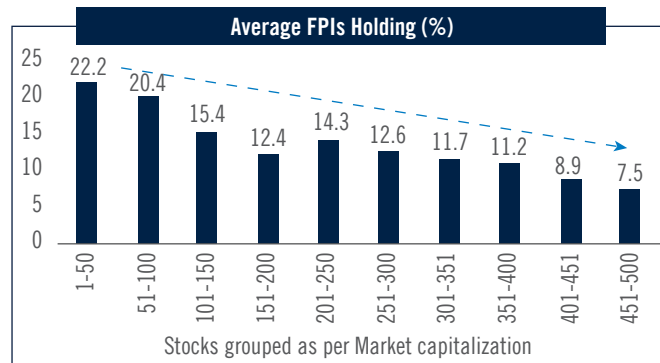
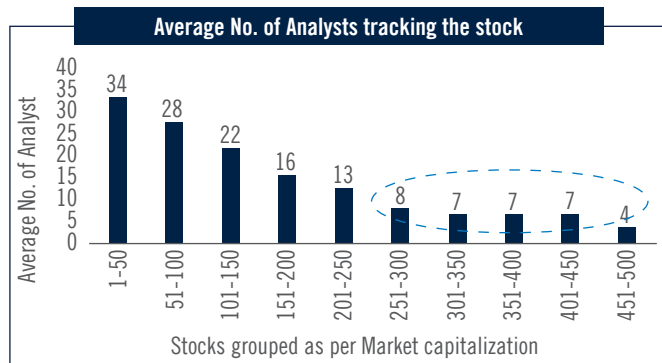
Smallcaps: Can take meaningful exposure to sectors where largecaps have less presence



- Within the smallcap segment there are many sectors where larger companies don't have a significant presence
- This provides a style diversification opportunity to investors
- Examples of such industries could be metals & mining, construction & construction materials
- Smallcaps provide some unique opportunities. Below are a few examples:
 - Market share gain from established players e.g. Kajaria Ceramics
 - Ability to scale rapidly e.g. Bajaj Finance
 - Niche business / emerging business – e.g. Dr Lal Pathlabs

Source: Niftyindices. Data as of 28 February 2023. Stocks mentioned are for illustration purpose only and not meant as a recommendation to buy or sell the security. The Scheme may or may not invest in these stocks. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).

Smallcaps: Under-researched and Under-owned

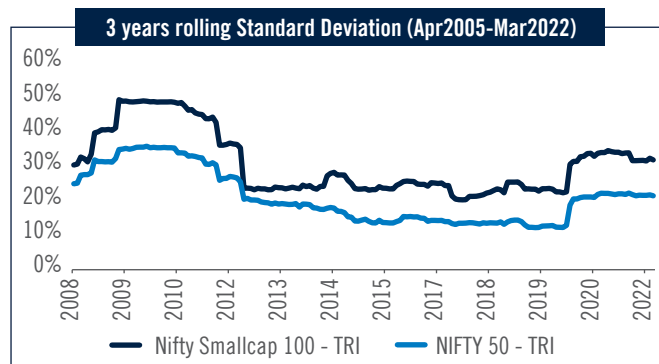
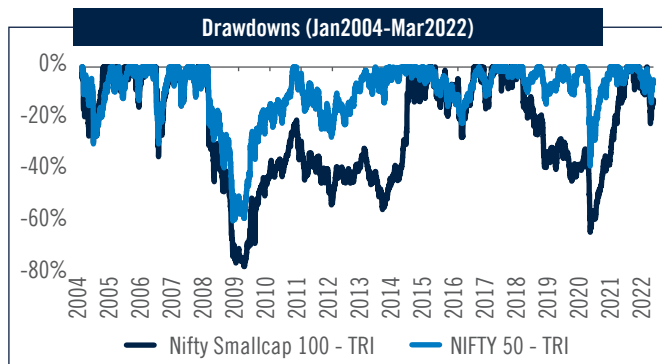


(The ownership data also includes any ADR/GDR)

- Proprietary research becomes important as one goes down the capitalization curve, as number of analyst tracking smallcap is relatively less
- PGIM India has a proven track record in identifying bottom-up stock ideas, with an experienced research team
- Foreign institutional ownership reduces beyond top 100 stocks
- As companies grow their revenue and profitability in the long run, the interest from institutional investor tends to rise, leading to potential re-ratin

Source: Bloomberg, Data as on 5-May-2021.

Historically smallcaps have been more volatile. Thus, investor's risk appetite should be aligned



- During periods of contraction, smallcaps in general witness a greater drawdown compared to largecaps
- However, smallcaps are also quick to recover as and when the economy revives
- Smallcaps are more volatile compared to their largecap counterparts
- Investors should have an appropriate risk appetite before investing in this segment

Source: AceME Data as on 31-March-2022

Why PGIM India Small Cap Fund?

PGIM India Small Cap Fund - Characteristics

ASSET ALLOCATION	INVESTMENT APPROACH
Minimum 65% allocation to smallcap stocks Smallcaps defined as stocks beyond top 250 as ranked by marketcap*	Growth at reasonable Price (GARP) Fundamentals driven, bottom-up stock picking approach Focus on ROE, Growth, FCF and leverage ratios
PORTFOLIO CONSTRUCT	ASSET ALLOCATION
Marketcap allocation range for smallcaps – Below Rs16367 crs. (current marketcap of 251st stock. Source: AMFI)	Upto 35% of the portfolio can be allocated across Large, Mid and Smallcap, debt and money market instruments

*List published by AMFI on a half yearly basis. For more details on Asset allocation, investment strategy, please refer scheme information Document

Investment Approach

- Stock price over the medium to long term, track the fundamentals of the company
- Companies which are backed by good management and demonstrate the ability to scale are generally rewarded by investors
- Investors generally are willing to pay a higher multiple for higher expected growth in the future, leading to re-rating of the stock

Earnings Growth

+

Re-rating

=

Marketcap Expansion

Investment Approach - Past example – PI Industries

Find companies with sector dominance, solid financials, operating leadership and respect for capital

- Company operating in pesticides / agri chemicals sector
- Expertise in specialise molecule manufacturing in India. Decades of experience in innovation
- One of the leading players in the Indian and the Global market
- The company has around 50+ years of experience with 20+ Global Innovators and strong pipeline molecules based on crop solutions and Indian needs. On the distribution and scale front, the company has 28 stock points, 10,000+ distributors and 70,000+ retail points.
- Leading distribution company in India with dominant market share in certain crops. India's largest CRAMS company with over 90% Revenue from patented products.

Secular, long-term runway of growth

Growing population and rising per capita income are strengthening demand for food grain: from 192 million tonnes in 2000 to an estimated 355 million tonnes in 2030, making it imperative for food grain production to increase 5.5 million tonnes annually to address growing domestic requirements.

Differentiators

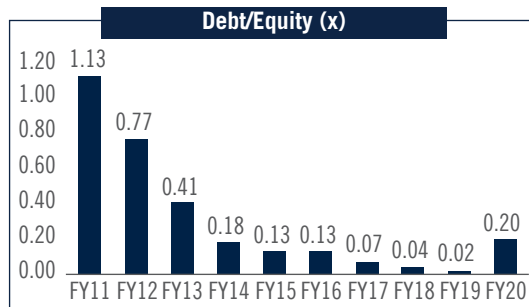
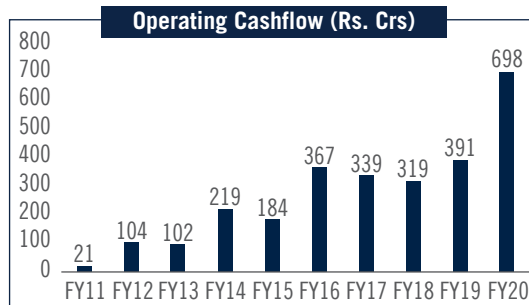
Unique business model in the Agri-chem space of providing an innovative solution to its customers from R&D to Distribution.

The company has been consistently investing in R&D (3.5% of sales: Rs 115mn) to build a robust pipeline of novel molecules (closed FY20 with 60 molecules in the pipeline) and endeavours developing next generation, technology and processes.

Pharma Contract Research And Manufacturing Services (CRAMS) business that could add another leg to growth. Business model ready to go beyond Ag-Chem

Present across the global Ag-chem value chain with a partnership approach

Example: PI Industries



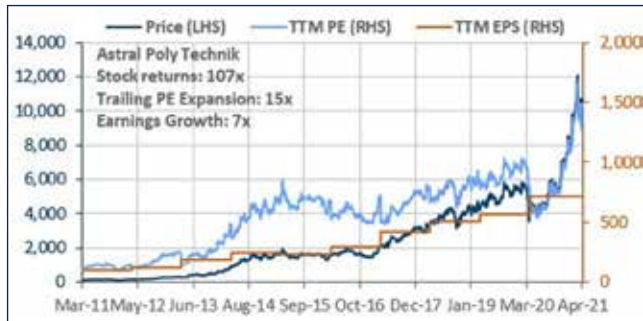
Source: Bloomberg. Stocks mentioned are for illustration purpose only and not meant as a recommendation to buy or sell the security. CSM – custom synthesis. CRAMS – contract research and manufacturing services. The Scheme may or may not investment in these stocks. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).

Earning Growth + Re-rating = Marketcap expansion



Source: Bloomberg. Stocks mentioned are for illustration purpose only and not meant as a recommendation to buy or sell the securities. The charts have been rebased. The Scheme may or may not invest in these stocks. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).

Earning Growth + Re-rating = Marketcap expansion contd...



- The effect of consistent earning growth coupled with valuation re-rating can have a multiplier effect on stock prices

Source: Bloomberg. Stocks mentioned are for illustration purpose only and not meant as a recommendation to buy or sell the securities. The charts have been rebased. The Scheme may or may not investment in these stocks. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).

Annexure: Who should invest in PGIM India Small Cap Fund?

- Investors with an investment horizon of atleast 5 years or more
- Investor looking to complement their existing core equity portfolio, with a potential to earn higher risk adjusted return
- Investors having a commensurate risk appetite associated with smallcap segment

Fund Performance

	Fund		Nifty Smallcap 250 - TRI [^]		Nifty 50 TRI #	
	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
PGIM India Small Cap Fund-Reg(G)						
Last 1 Year	0.39	10,039	1.40	10,140	4.27	10,427
Since Inception	2.13	10,340	-0.12	9,981	7.13	11,155
PGIM India Small Cap Fund(G)-Direct Plan						
Last 1 Year	2.30	10,230	1.40	10,140	4.27	10,427
Since Inception	4.11	10,660	-0.12	9,981	7.13	11,155

Date of Inception: Regular Plan: July 29, 2021; Direct Plan: July 29, 2021.

[^] Scheme Benchmark. # Standard Benchmark. *Based on standard investment of Rs.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. The above returns are simple annualised returns.

Mr. Aniruddha Naha (Fund Manager – Equity) is managing this fund since July 29, 2021, Mr. Ravi Adukia (Assistant Fund Manager - Equity) is managing this fund in this capacity since May 12, 2022. Bhupesh Kalyani (Debt Portion) is managing this fund from September 13, 2022, and Mr. Rahul Jagwani (Overseas Investments) is managing this fund since May 12, 2022.

For performance of schemes managed by Aniruddha Naha, Bhupesh Kalyani and Rahul Jagwani refer to the next slides. No other scheme managed by Ravi Adukia.

The above returns are as on February 28, 2023

Performance of other schemes managed by Aniruddha Naha

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
PGIM India Midcap Opportunities Fund*	3.65	29.94	16.22	April 05, 2018
NIFTY Midcap 150 TRI^	8.28	23.14	11.85	
PGIM India Balanced Advantage Fund*	2.42	–	–	February 04, 2021
CRISIL Hybrid 50+50 Moderate Index^	3.19	–	–	
PGIM India Flexi Cap Fund*	-1.81	21.98	12.92	April 05, 2018
NIFTY 500 TRI^	2.58	17.55	10.66	

^ Scheme 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 for Regular Plan - Growth Option and in CAGR – Compounded Annual Growth Rate.

Different plans have a different expense structure. Mr. Aniruddha Naha is managing 4 schemes of PGIM India Mutual Fund. On account of difference in scheme features, the performance of these schemes are not strictly comparable.

*PGIM India Midcap Opportunities Fund is co managed by Mr. Vivek Sharma (Equity Portion) and Mr. Puneet Pal (Debt Portion) from July 16, 2022.

^PGIM India Balanced Advantage Fund is co-managed by Mr. Hitash Dang (Equity Portion), Mr. Puneet Pal (Debt Portion) from 01 December 2021 and Mr. Rahul Jagwani (Overseas Investment w.e.f. 12 May 2022)

#PGIM India Flexi cap Fund is co-managed by Mr. Anandha Padmanabhan Anjeneyan (Equity Investments), Mr. Rahul Jagwani (Overseas Investment w.e.f. 12 May 2022) & Mr. Bupesh Kalyani (Debt Portion) from 01, December 2021. Please refer www.pgimindiaf.com for details on performance of all schemes (including Direct Plan).

Performance as on February 28, 2023.

Performance of other schemes managed by Rahul Jagwani

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
Top 3 Schemes Performance (%)				
PGIM India Hybrid Equity Fund*	4.15	10.83	6.73	May 12, 2022
CRISIL Hybrid 35+65 - Aggressive Index^	3.15	13.86	10.44	
PGIM India Balanced Advantage Fund*	2.42	–	–	May 12, 2022
CRISIL Hybrid 50+50 Moderate Index^	3.19	–	–	
PGIM India Flexi Cap Fund*	-1.81	21.98	12.92	May 12, 2022
NIFTY 500 TRI^	2.58	17.55	10.66	
Bottom 3 Schemes Performance (%)				
PGIM India Emerging Markets Equity Fund*	-24.32	-6.58	-3.73	May 12, 2022
MSCI Emerging Market Index TRI^	-7.34	5.48	2.90	
PGIM India Global Equity Opportunities Fund*	-11.74	9.73	11.61	May 12, 2022
MSCI All Country World Index^	0.35	13.66	10.96	
PGIM India Global Select Real Estate Securities Fund Of Fund*	-9.58	–	–	May 12, 2022
FTSE EPRA / NAREIT Developed Index^	-6.01	–	–	

^ Scheme 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 for Regular Plan Growth Option. Above returns are in CAGR – Compounded Annual Growth Rate. The returns for Global Select Real Estate Securities Fund Of Fund are simple annualised. Different plans have a different expense structure Mr. Rahul Jagwani (Dedicated Overseas Fund Manager) is managing 7 schemes of PGIM India Mutual Fund. On account of difference in scheme features, the performance of these schemes are not strictly comparable. *PGIM India Balanced Advantage Fund is co-managed by Mr. Hitash Dang and Mr. Aniruddha Naha (Equity Portion), Mr. Puneet Pal (Debt Portion) w.e.f. 01 December 2021. **PGIM India Hybrid Equity Fund is co-managed by Mr. Vivek Sharma (Equity portion) and Mr. Bhupesh Kalyani (Debt portion) w.e.f. September 13, 2022. #PGIM India Flexi cap Fund is co-managed by Mr. Aniruddha Naha (Equity), Mr. Anandha Padmanabhan Anjeneyan (Equity), & Mr. Bhupesh Kalyani (Debt Portion) w.e.f. September 13, 2021. Please refer www.pgimindiafm.com for details on performance of all schemes (including Direct Plan). Performance as on February 28, 2023

Performance of other schemes managed by Bhupesh Kalyani

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
Top 3 Schemes Performance (%)				
PGIM India Liquid Fund*	5.29	4.15	5.26	September 13, 2022
CRISIL Liquid Fund BI Index^	5.56	4.48	5.41	
PGIM India Overnight Fund*	5.10	3.83	–	September 13, 2022
Nifty 1D Rate Index ^	5.25	3.90	–	
PGIM India Money Market Fund*	4.89	–	–	September 13, 2022
CRISIL Money Market Fund BI Index^	5.52	–	–	
Bottom 3 Schemes Performance (%)				
PGIM India Flexi Cap Fund*	-1.81	21.98	12.92	September 13, 2022
NIFTY 500 TRI^	2.58	17.55	10.66	
PGIM India Gilt Fund*	2.48	3.87	6.06	September 13, 2022
CRISIL Dynamic Gilt Index^	2.92	4.89	7.26	
PGIM India Dynamic Bond Fund*	2.92	3.71	6.39	September 13, 2022
CRISIL Dynamic Bond Fund AIII Index^	2.52	5.26	7.43	

^ Scheme 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 mentioned earlier are for Regular Plan - Growth Option. Above returns are in CAGR – Compounded Annual Growth Rate. Different plans have a different expense structure.

Mr. Bhupesh Kalyani is managing 13 schemes of PGIM India Mutual Fund.

*PGIM India Liquid Fund is co-managed by Mr. Puneet Pal. *PGIM India Overnight Fund is co-managed by Mr. Puneet Pal. *PGIM India Money Market Fund is co-managed by Mr. Puneet Pal. *PGIM India Flexi Cap Fund is co-managed by Mr. Aniruddha Naha (Equity), Anandha Padmanabhan Anjeneyan (Equity) and Rahul Jagwani (Overseas). *PGIM India Gilt Fund is co-managed by Mr. Puneet Pal. *PGIM India Dynamic Bond Fund is co-managed by Mr. Puneet Pal. Returns for the benchmark have been calculated using TRI values. Top three and bottom three schemes managed by the fund manager have been derived on the basis of last one year performance ending on February 28, 2023. Performance as on February 28, 2023

PGIM India Small Cap Fund – Fund Facts

Scheme Name	PGIM India Small Cap Fund
Type of scheme	An open-ended equity scheme predominantly investing in small cap stocks
Investment objective	To achieve long term capital appreciation by predominantly investing in equity and equity related instruments of small cap companies. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee/ indicate any returns.
Plan / Options	IDCW** (Payout of Income Distribution cum Capital Withdrawal option / Reinvestment of Income Distribution cum Capital Withdrawal option) and Growth.
Exit Load	For Exits within 90 days from date of allotment of units : 0.50%. For Exits beyond 90 days from date of allotment of units : NIL
Fund Manager	Mr. Aniruddha Naha (Equity Portion), Mr. Ravi Adukia (Equity Portion w.e.f. May 12, 2022), Mr. Bhupesh Kalyani (Debt Portion w.e.f. September 13, 2022), Mr. Rahul Jagwani (Overseas Investments w.e.f. May 12, 2022)
Benchmark Index	NIFTY Smallcap 250 TRI

**Income Distribution cum Capital Withdrawal option

AUM Breakup

AUM Breakup: Asset class wise disclosure of AAUM: AUM as on February 28, 2023 (Rs in Crores): Income: 770.57, Equity Other than ELSS: 15403.01, Balanced: 0.00, Liquid: 1117.34, Gilt: 135.42, Equity ELSS: 451.65, Hybrid: 1903.73, Index Fund: 20.28, GOLD ETF: 0.00, Other ETF: 0.00, Fund of Fund Investing Overseas: 1570.32, Total: 21372.32; **Average AUM for the month:** Income: 792.34, Equity Other than ELSS: 15482.19, Balanced: 0.00, Liquid: 1066.31, Gilt: 136.72, Equity ELSS: 454.75, Hybrid: 1959.37, Index Fund: 4.95, GOLD ETF: 0.00, Other ETF: 0.00, Fund of Fund Investing Overseas: 1597.60, Total: 21494.23; **Disclosure of percentage of AUM by geography: % of Total AUM as on February 28, 2023:** Top 5 cities: 55.31%, Next 10 cities: 18.51%, Next 20 cities: 7.09%, Next 75 cities: 7.50%, Other: 11.58%, Total: 100.00%; **Disclosure of AUM by Service Category: AUM as on February 28, 2023 (Rs. in Crores):** Mutual Funds: 21372, PMS: 136, Advisory: 2337, Total: 23846.

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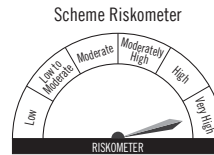
PGIM INDIA SMALL CAP FUND

(An open-ended equity scheme predominantly investing in small cap stocks)

This product is suitable for investors who are seeking*:

- Capital appreciation over a long period of time.
- Investment in equity and equity related instruments of small cap companies.
- 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



Nifty Smallcap 250 - TRI
Benchmark riskometer is at very high risk



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