PGIM
India Mutual Fund

# PGIM India Large Cap Fund

(Large Cap Fund - An open-ended equity scheme predominantly investing in Large Cap stocks)

March 2022

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- Why PGIM India Large Cap Fund?

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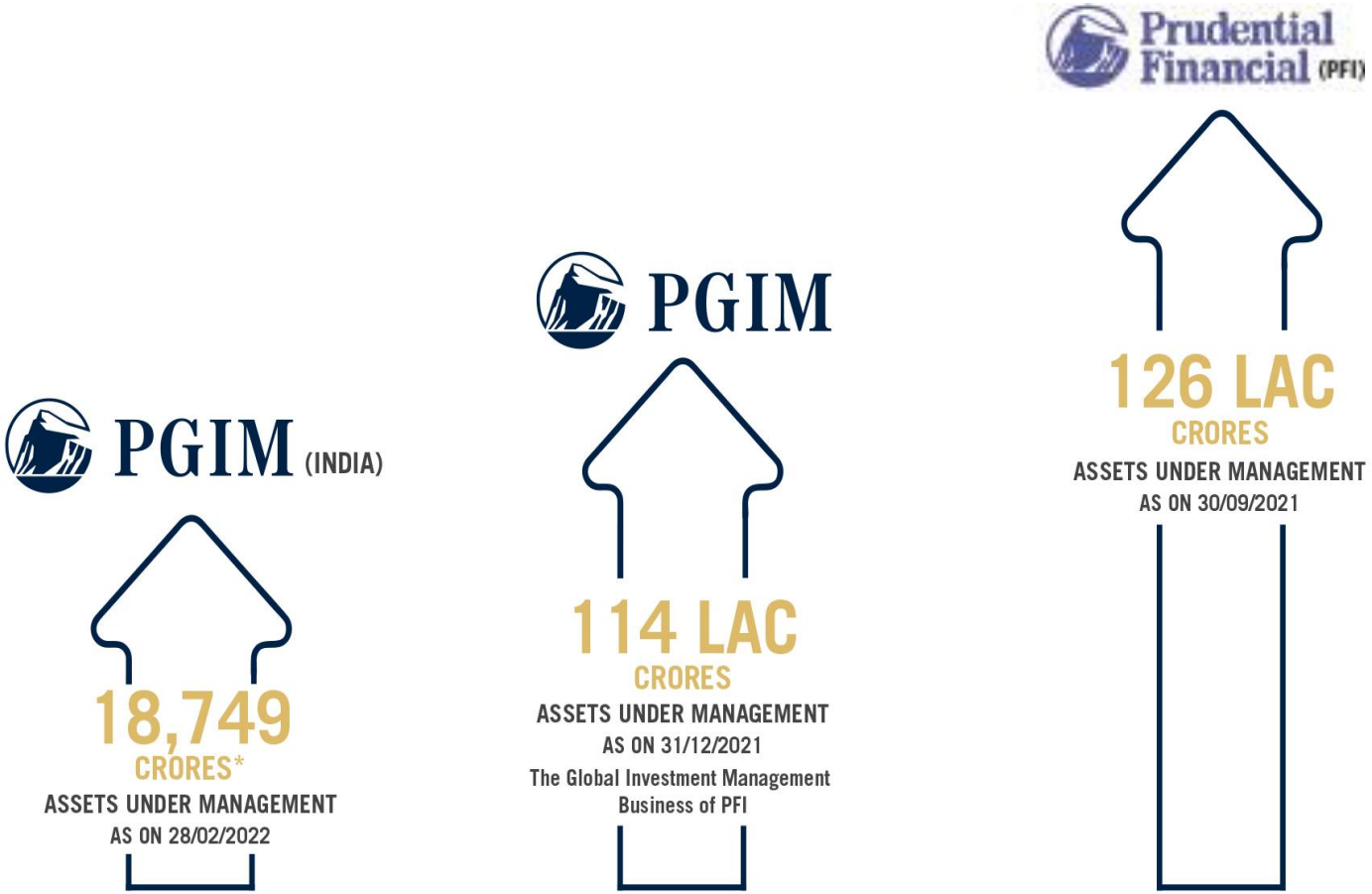
# About us




Source: www.pgim.com & www.prudential.com. For AUM Breakup please refer to slide no. 2

This information has been prepared by PGIM, Inc. (“"PGIM”). PGIM is the premirary asset management business of PFI & is a registered investment advisor with the US Securities & Exchange Commission. PFI a company with corporate headquarters in the US, is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom.

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# About us

## Global Footprint

**10TH** largest global asset manager[1]

**1300+** investment professionals

**39** OFFICES

**17** COUNTRIES

[1]PGIM is the investment management business of Prudential Financial, Inc. (PFI); PFI is the 10th largest investment manager (out of 477 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on May 31, 2021. This ranking represents global assets under management by PFI as of December 31, 2020.

*PGIM is the investment management business of Prudential Financial, Inc. (PFI); PFI is the 10th largest institutional investment manager (out of 477 firms surveyed) in terms of global institutional assets under management based on Pensions & Investments' Top Money Managers list published on May 31, 2021. This ranking represents institutional assets under management by PFI as of December 31, 2020. Source: www.pgim.com

## Position of Strength

Ranking Based on Worldwide Assets

| Top 10 Asset Managers | | Assets ($ Billions) |
|---|---|---|
| 1 | BlackRock Inc. | $5,150 |
| 2 | Vanguard Group Inc. | $4,761 |
| 3 | State Street Global Advisors | $2,517 |
| 4 | BNY Mellon Investment Management | $1,784 |
| 5 | Fidelity Investments | $1,746 |
| 6 | Legal & General Investment Management | $1,684 |
| 7 | J.P. Morgan Asset Management | $1,422 |
| 8 | Wellington Management Group LLP | $1,289 |
| 9 | Amundi | $1,280 |
| 10 | PFI* | $1,252 |

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# 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 - 10**

Differentiated
**ASSET ALLOCATION SOLUTIONS**

**10000+ DISTRIBUTORS**

Investment Team size
**16**

Total no. of years of experience of investment team
**246 YEARS**

**PORTFOLIO MANAGEMENT SERVICES:** STRATEGIES - 2

PGIM India Core Equity Portfolio
PGIM India Phoenix Portfolio

# PGIM India – Equity Investment Process

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# Investment Process Overview

## Idea Generation

Confluence of top-down and bottom-up styles

- Macro & Thematic Analysis
- Proprietary Screeners
- External Research
- Company Meetings

## In-Depth Company Analysis

Fundamental Analysis

Financial Modelling (Sell-side & Proprietary)

## Portfolio Construction & Maintenance

Individual Stock Weights

- Stock conviction
- Sector limits
- Stock limits

Equity Weight

- Assessment of macroeconomics drivers (global and domestic)
- Statistical Risk considerations

Position Review / Risk Management

- Material change in Investment case
- Significant Outperformance beyond expectations
- Better idea/more efficient utilization of risk capital

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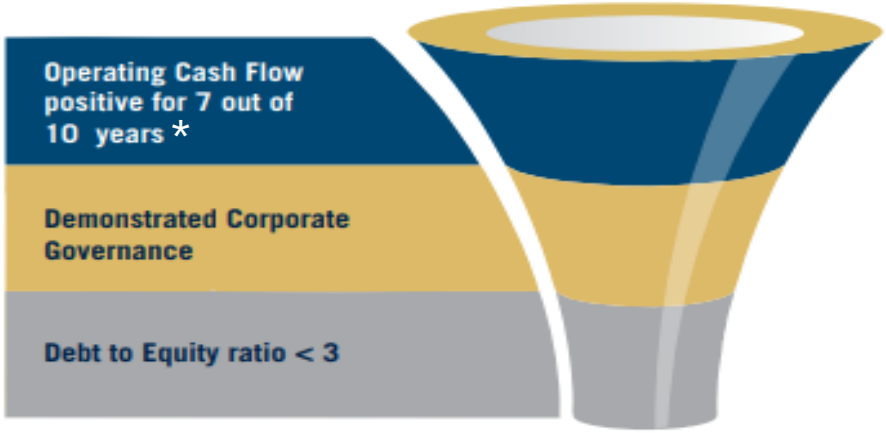
# Investment Process Overview

**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.

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# 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** | ▪ Favor industries gearing up for consolidation<br>▪ Avoid industries slated for fragmentation |
| **Solid Financials** | ▪ Conservative debt<br>▪ Positive operating cash flows<br>▪ Strong projected cash flow generation |

# Why Large Caps?

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# Large Cap Companies are…

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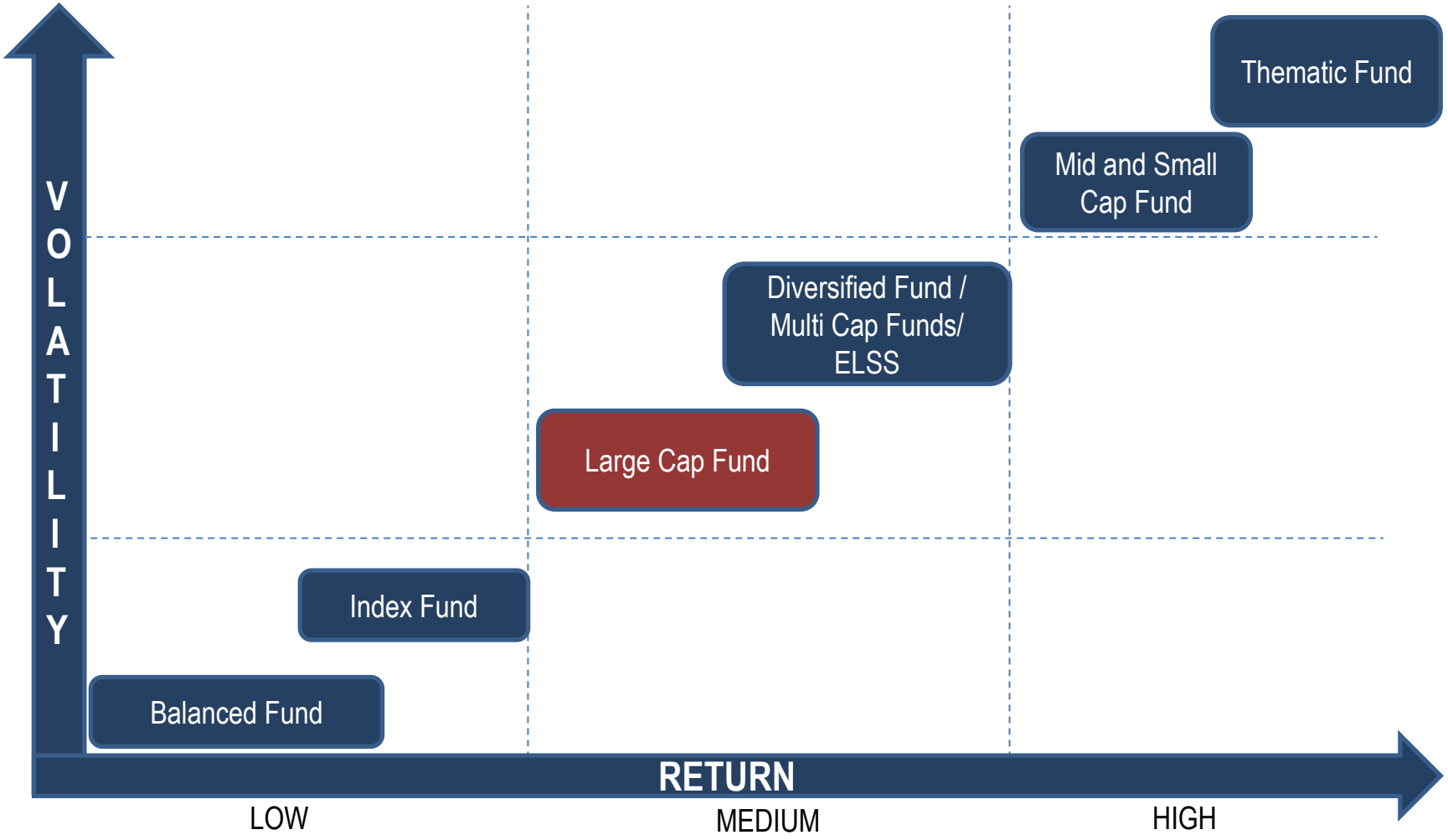
# Product Positioning - Generally less risky than Mid Cap & Thematic Funds



# Why PGIM India Large Cap Fund?

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# PGIM India Large Cap Fund

- PGIM India Large Cap Fund predominantly invests in large cap stocks, with minimum allocation being 80% of total assets and maximum of 20% each in Equity & Equity related instruments of other companies and Debt Securities, Money Market Instruments. Large cap stock is defined as Top 100 as ranked by market capitalization.*

- Focuses on high quality and growth oriented stocks with longer term investment horizon with focus on intrinsic value v/s market value to identify growth & value unlocking opportunities

- Investments will be pursued in selected sectors based on the Investment team's analysis of business cycles, regulatory reforms, competitive advantage etc. Selective stock picking will be done from these sectors.

- The fund manager in selecting scrips will focus on the fundamentals of the business, the industry structure, the quality of management, sensitivity to economic factors, the financial strength of the company and the key earnings drivers

- Combination of top-down and bottom-up approach, with adequate risk controls
  - Top down approach to choose sector weights and;
  - Within a sector, bottom-up approach to identify investment opportunities

*Please refer SID, for more details on asset allocation.

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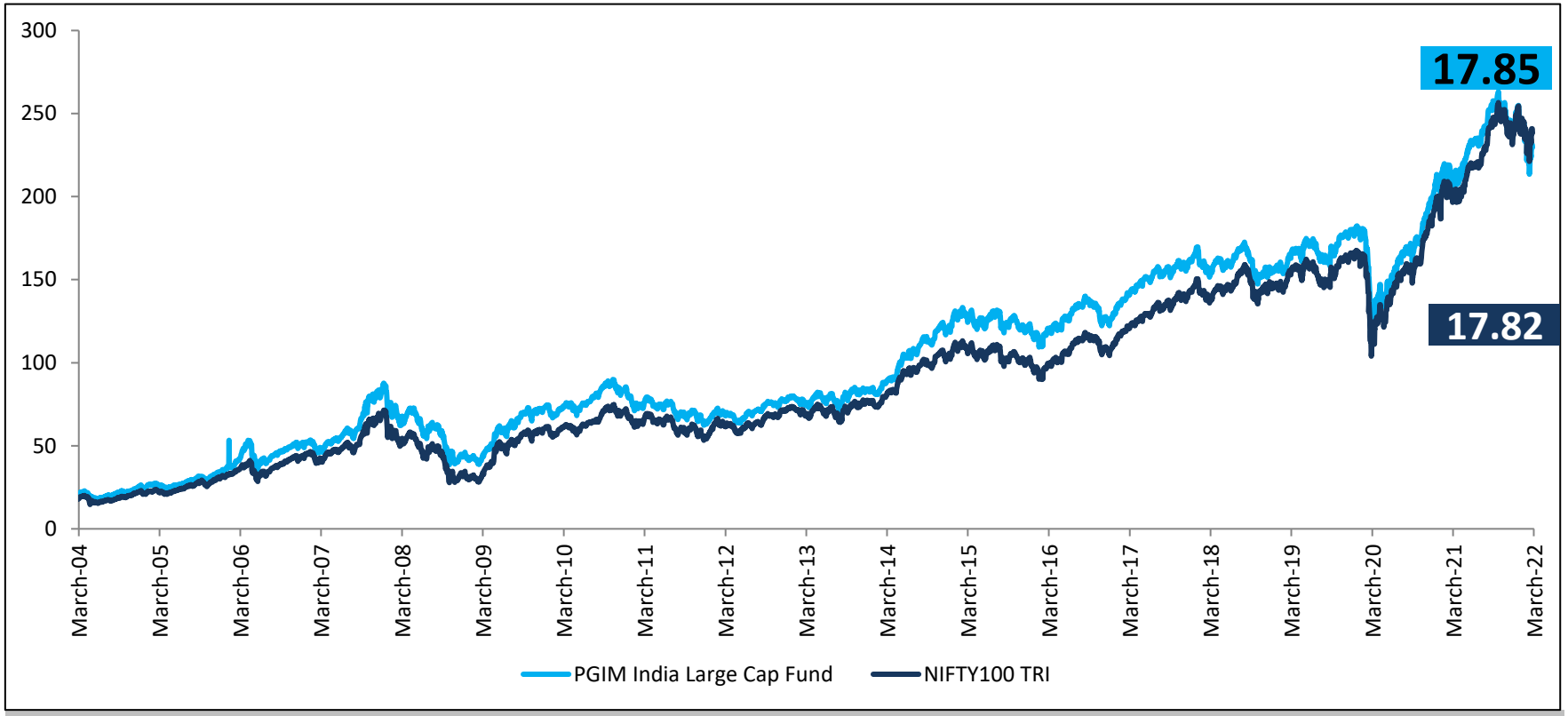
# PGIM India Large Cap Fund – Strong Long-term Track Record




**Investment in PGIM India Large Cap Fund has grown nearly 17.85 times in 18 years, whereas Index has grown little over 17.82 times during the same time**

Source: Internal Research, Bloomberg. For complete performance of the funds managed by the fund manager please refer to slide no. 22. Vertical axis represents NAV of Index Fund.
W.e.f. December 01, 2021, the benchmark of the scheme has been changed from Nifty 50 TRI to NIFTY 100 TRI. The data above is for the PGIM India Large Cap Fund Regular Plan – Growth.

Data as on March 31, 2022

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# Current themes for PGIM India Large Cap Fund

Portfolio is structured to participate in the economic recovery, while being aware of the rising cases off late and rising yields globally. Idea is to stick to quality companies, leaders in their segments with higher visibility of earnings growth and market share gains, better capital efficiency and stronger balance sheet.

We are Overweight on Pharma, Industrials, Digitization

Digitization includes IT and e-commerce – enablers and beneficiaries

The above statements are based on the fund manager's current views; These are subject to change without prior notice

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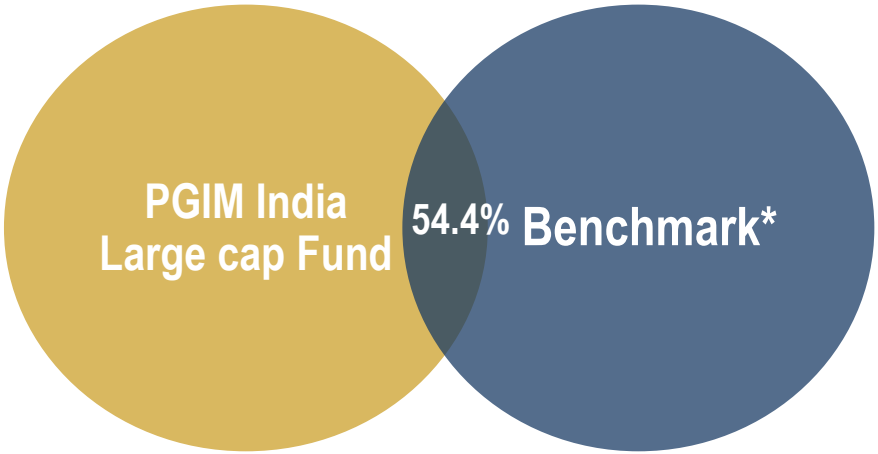
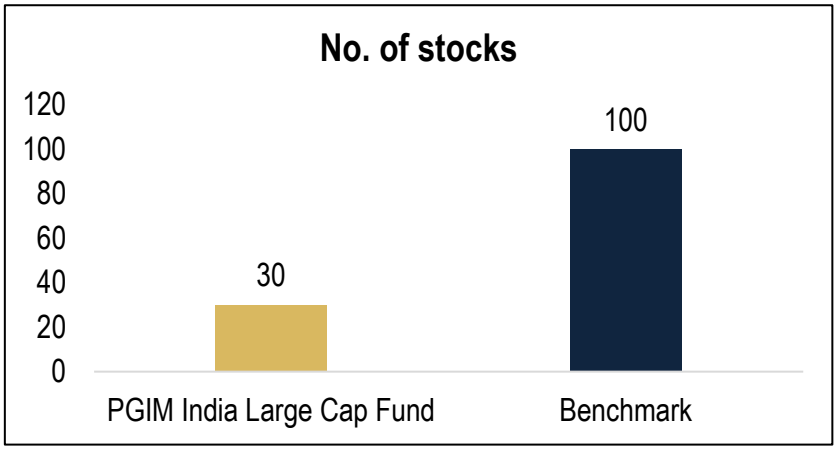
# Why PGIM India Large Cap Fund?

## Portfolio Overlap of 54.4%, with top ideas beyond benchmark




### Top ideas beyond the Benchmark

- Ashok Leyland Ltd.
- Shobha Developers Ltd.
- Graphite India Ltd.
- Sagar Cement Ltd.




| Top 10 Holdings (% of net assets) | |
|---|---|
| PGIM India Large Cap Fund | 60.9% |
| Benchmark* | 50.2% |

Data as on March 31, 2022. *Nifty 100 TR Index. These are based on the Fund Manager's outlook and are subject to change. Stocks referred to in the presentation are only for the purpose of understanding and should not be used as investment advice. W.e.f December 01, 2021 the benchmark of the scheme has been changed from Nifty 50 TRI to NIFTY 100 TRI.

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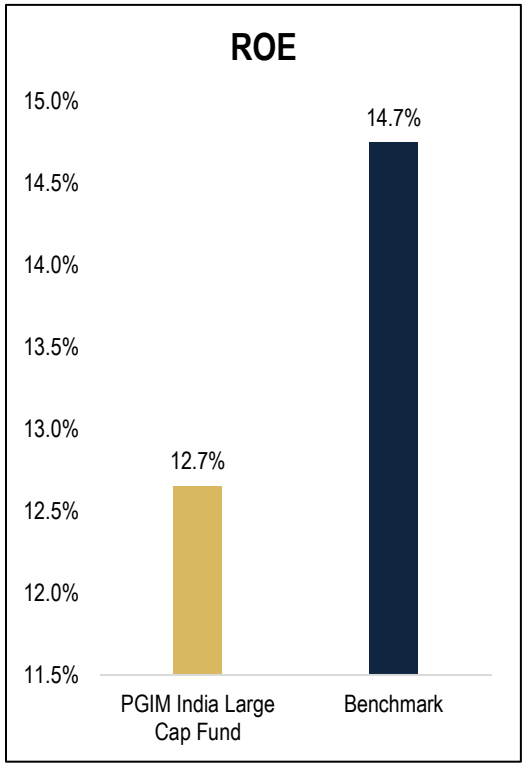
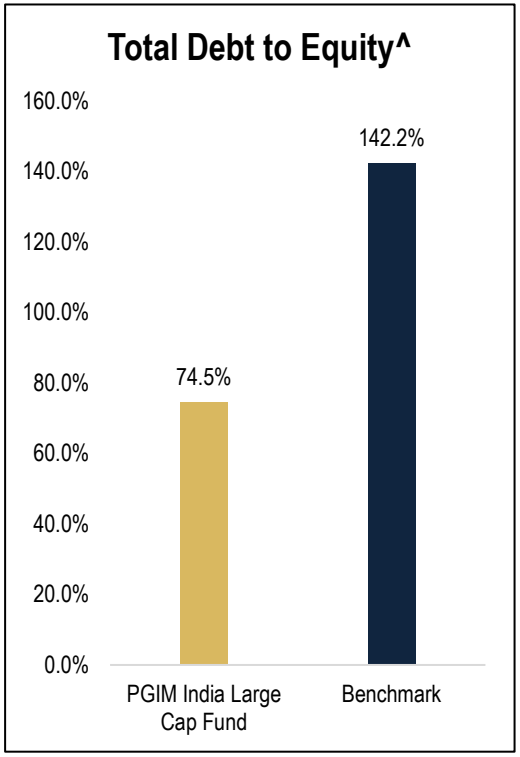
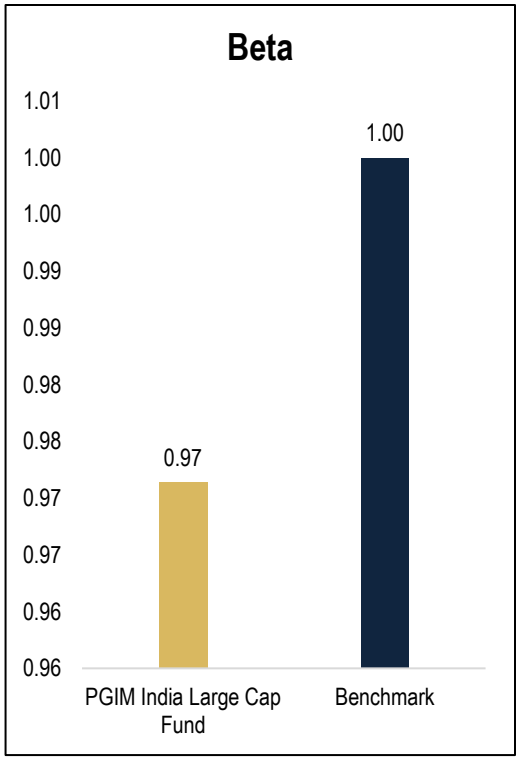
# Portfolio Metrics - Quality Portfolio with lower risk and lower leverage




- A lower Beta with a higher Return on Equity (ROE) indicates potential to earn returns and lower risk in comparison to the benchmark
- Quality portfolio as measured by lower Total Debt to Equity

Data as on March 31, 2022. Source: Bloomberg Benchmark mentioned in the above charts is Nifty 100 TR Index. ^Ex Financials. W.e.f December 01, 2021, the benchmark of the scheme has been changed from Nifty 50 TRI to NIFTY 100 TRI.

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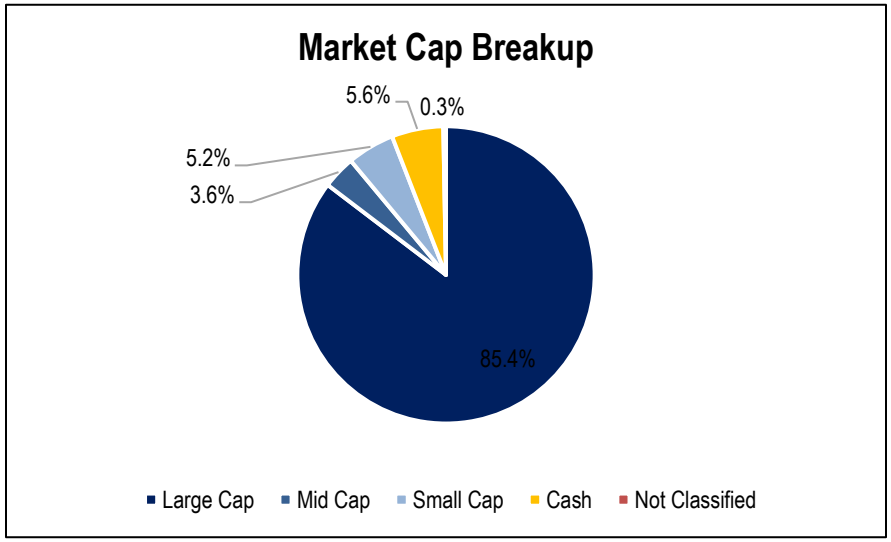
# Portfolio Metric – Current Sector and Stock Positioning

| Stock (Top 10) | % Holding |
|---|---|
| ICICI Bank Ltd. | 9.78% |
| Reliance Industries Ltd. | 9.49% |
| HDFC Bank Ltd. | 9.46% |
| Infosys Ltd. | 5.97% |
| Axis Bank Ltd. | 5.50% |
| Larsen & Toubro Ltd. | 4.94% |
| Tata Motors Ltd. | 4.42% |
| Bajaj Finance Ltd. | 4.06% |
| Tata Consultancy Services Ltd. | 3.30% |
| Kotak Mahindra Bank Ltd. | 3.21% |

| Top 3 Sectors Overweight # | % Overweight |
|---|---|
| Industrials | 7.54 |
| Consumer Discretionary | 6.00 |
| Financials | 2.32 |
| **Top 3 Sectors Underweight #** | **% Underweight** |
| Consumer Staples | 8.48 |
| Information Technology | 6.37 |
| Health Care | 4.26 |

| Top 5 Stocks Overweight # | % Overweight |
|---|---|
| ICICI Bank Ltd | 4.18 |
| Tata Motors Ltd | 3.59 |
| Axis Bank Ltd | 3.30 |
| Bharti Airtel Ltd | 2.76 |
| UPL Ltd | 2.68 |
| **Top 5 Stocks Underweight #** | **% Underweight** |
| Housing Development Finance | 4.86 |
| ITC Ltd | 2.46 |
| State Bank Of India | 2.13 |
| Hindustan Unilever Ltd | 2.06 |
| Infosys Ltd | 1.81 |




Data as on March 31, 2022. The above weights are in comparison to the Benchmark, NIFTY 100 TRI. W.e.f. to 01 December 2021 the benchmark of the scheme has been changed from NIFTY 50 TRI to NIFTY 100 TRI.

#These are based on the Fund Manager's outlook and are subject to change Source: Bloomberg The above estimates may change depending upon the market conditions and fund managers investment decisions

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# PGIM India Large Cap Fund – Product Stability

## WHO SHOULD INVEST ?

**First time Investors looking to invest in equities**

- Can aim to invest in well established companies
- Those aiming for higher inflation-adjusted returns in the long run

A large cap fund is a must have for any investor looking to have equity exposure

It is considered to have lower risk or volatility when compared to most of the other equity categories

Investor looking to build a core equity portfolio

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# Fund Manager Profile

**Alok Agarwal,**
**Senior Fund Manager – Equity**
**CFA, CA, MS (Finance)**

Alok Agarwal has over 16 years of experience in Equity Markets and finance.
Previously he has worked at:

- **Deutsche Asset Management**

*Portfolio Manager – Equity*

- **Deutsche Bank PWM**

*Portfolio Manager – Equity*

- **K. R. Choksey Securities**

*PMS - Head, Portfolio Manager – Equity*

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# Fund Manager Profile

**Ankur Murarka,**
**Fund Manager & Dealer - Fixed Income**
**MBA (Finance), CFA**

Over 10 years of experience in the fund management of fixed income securities:
Previously he has worked at:

- **Morgan Stanley**

*Associate Analyst*

- **Prebon Yamane India Ltd**

*Dealer - Fixed Income*

- **Reliance Nippon Life Insurance Company Ltd.**

*Manager - Fixed Income Investments*

- **PGIM India Asset Management Private Limited –**

*Dealer - Fixed Income*

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# Fund Performance

| Performance (CAGR) | Fund | | Nifty 100 TRI ^ | | NIFTY 50 TRI # | |
|---|---|---|---|---|---|---|
| Period | Returns (%) | Value (INR) * | Returns (%) | Value (INR) * | Returns (%) | Value (INR) * |
| **PGIM India Large Cap Fund(G) – Regular Plan** | | | | | | |
| Last 1 Year | 10.90 | 11,090 | 20.63 | 12,063 | 20.26 | 12,026 |
| Last 3 Years | 11.89 | 14,014 | 15.73 | 15,506 | 15.87 | 15,563 |
| Last 5 Years | 10.41 | 16,415 | 14.67 | 19,830 | 15.15 | 20,253 |
| Since Inception | 17.85 | 2,34,430 | 17.82 | 2,32,986 | 17.19 | 2,10,306 |
| **PGIM India Large Cap Fund(G)-Direct Plan** | | | | | | |
| Last 1 Year | 12.56 | 11,256 | 20.63 | 12,063 | 20.26 | 12,026 |
| Last 3 Years | 13.49 | 14,622 | 15.73 | 15,506 | 15.87 | 15,563 |
| Last 5 Years | 12.05 | 17,666 | 14.67 | 19,830 | 15.15 | 20,253 |
| Since Inception | 14.14 | 33,970 | 14.01 | 33,626 | 13.72 | 32,831 |

Performance as on March 31, 2022

**Date of Inception: Regular Plan: January** 21, 2003; **Direct Plan: January 01**, 2013. CAGR – Compounded Annual Growth Rate. ^ Scheme Benchmark. # Standard Benchmark. W.e.f December 01, 2021, the benchmark of the scheme has been changed from Nifty 50 TRI to NIFTY 100 TRI. *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. Mr. Alok Agarwal has been managing the fund since July 27, 2017, and Ankur Murarka (Debt Portion) is managing this fund from December 01, 2021. For performance of other schemes managed by the fund managers please refer to the next slides.

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# Performance of other schemes managed by Alok Agarwal

| Period | Last 1 Year | | Last 3 Years | | Last 5 Years | | Benchmark | Managing since |
|---|---|---|---|---|---|---|---|---|
| Scheme Name | Scheme (%) | Benchmark (%) | Scheme (%) | Benchmark (%) | Scheme (%) | Benchmark (%) | | |
| PGIM India Hybrid Equity Fund* | 11.25 | 15.29 | 10.27 | 14.55 | 7.75 | 12.80 | CRISIL Hybrid 35+65 Aggressive Index | June 01 2016 |
| PGIM India Equity Savings Fund ^ | 10.03 | 9.95 | 7.91 | 9.9 | 7.1 | 9.52 | NIFTY Equity Savings Index | August 01 2016 |

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. Returns for the benchmark have been calculated using TRI values. Mr. Alok Agarwal is managing 3 schemes of PGIM India Mutual Fund. On account of difference in scheme features, the performance of these schemes are not strictly comparable.

*Co- managed by Mr. Hitash Dang (Equity portion) and Puneet Pal W.e.f. December 1, 2021 (Fund Manager - Debt).

^Co- managed by Mr. Ravi Adukia w.e.f. June 1, 2021 (Dedicated Fund Manager for Overseas Investments) and Kunal Jain w.e.f December 01, 2021 (Fund Manager - Debt)

Please refer to www.pgimindiamf.com for details on performance of all schemes including direct plans.

Performance as on March 31, 2022

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# Performance of other schemes managed by Ankur Murarka

| | Last 1 Year | | Last 3 Years | | Last 5 Years | | Benchmark | Managing Since |
|---|---|---|---|---|---|---|---|---|
| | Scheme (%) | Benchmark (%) | Scheme (%) | Benchmark (%) | Scheme (%) | Benchmark (%) | | |
| **Top 3 Schemes Performance** | | | | | | | | |
| PGIM India Corporate Bond Fund* | 4.63 | 5.47 | 7.09 | 8.71 | 6.22 | 7.70 | CRISIL Composite Bond Fund Index | 01 December 2021 |
| PGIM India Banking & PSU Debt Fund* | 4.57 | 5.14 | 7.43 | 7.74 | 7.02 | 7.52 | CRISIL Banking & PSU Debt Index | 01 December 2021 |
| PGIM India Fixed Duration Fund - Series AY* | 4.23 | 4.48 | 7.46 | 8.22 | ----- | ----- | CRISIL Composite Bond Fund Index | 01 December 2021 |
| **Bottom 3 Schemes Performance** | | | | | | | | |
| PGIM India Gilt Fund* | 3.59 | 4.17 | 6.74 | 7.74 | 6.3 | 6.78 | CRISIL Dynamic Gilt Index | 01 December 2021 |
| PGIM India Arbitrage Fund* | 3.49 | 3.82 | 4.24 | 4.07 | 4.82 | 4.39 | Nifty 50 Arbitrage TR Index | 01 December 2021 |
| PGIM India Dynamic Bond Fund* | 3.13 | 4.48 | 6.45 | 8.22 | 6.45 | 7.27 | CRISIL Composite Bond Fund Index | 01 December 2021 |

Performance as on March 31, 2022.

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. Ankur Murarka is managing 9 schemes of PGIM India Mutual Fund

*PGIM India Corporate Bond Fund, PGIM India Banking & PSU Fund, PGIM India Fixed Duration Fund – Series AY, PGIM India Gilt Fund, PGIM India Dynamic Bond Fund is co-managed by Puneet Pal.

*PGIM India Arbitrage Fund is co-managed by Hitash Dang & Utkarsh Katkoria

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, 2022

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# Fund Facts

| Scheme Name | PGIM India Large Cap Fund |
|---|---|
| **Type of scheme** | Large Cap Fund - An Open - Ended Equity Scheme predominantly Investing in Large Cap Stocks |
| **Investment objective** | To generate long term capital growth from a diversified portfolio of equity and equity related securities of predominantly large cap companies. |
| **Plan / Options** | IDCW** (Payout of Income Distribution cum Capital Withdrawal option / Reinvestment of Income Distribution cum Capital Withdrawal option) and Growth. |
| **Exit Load** | w.e.f. January 10, 2022<br>Exit Load: For Exits within 90 days from date of allotment of units: 0.50%;<br>For Exits beyond 90 days from date of allotment of units: NIL. |
| **Fund Manager** | Mr. Alok Agarwal and Mr. Ankur Murarka |
| **Benchmark Index** | NIFTY 100 TRI.(W.e.f. December 01 2021, the benchmark of the scheme has been changed from Nifty 50 TRI to NIFTY 100 TRI) |

**Income Distribution cum Capital Withdrawal option

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# Riskometer and Important Disclosures

## PGIM India Large Cap Fund

(Large Cap Fund - An open-ended equity scheme predominantly investing in Large Cap stocks)

This product is suitable for investors who are seeking*

- Capital growth over the long term
- Investment predominantly in equity and equity related securities of Large Cap companies.
- Degree of risk – VERY HIGH

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

**Scheme Riskometer**

Very High — investors understand that their principal will be at very high risk.

**Benchmark Riskometer**

NIFTY 100 TRI

Benchmark riskometer is at very high risk

**AUM Breakup: Asset class wise disclosure of AAUM: AUM as on February 28, 2022 (Rs in Crores):** Income: 3,023.34, Equity Other than ELSS: 9,896.57, Balanced: 0.00, Liquid: 822.03, Gilt: 149.65, Equity ELSS: 342.28, Hybrid: 202.91, GOLD ETF: 0.00, Other ETF: 0.00, Fund of Fund Investing Overseas: 1,790.39, Total: 16,227.16; **Average AUM for the month:** Income: 3,132.46, Equity Other than ELSS: 9,977.23, Balanced: 0.00, Liquid: 953.01, Gilt: 149.37, Equity ELSS: 350.45, Hybrid: 209.03, GOLD ETF: 0.00, Other ETF: 0.00, Fund of Fund Investing Overseas: 1,807.67, Total: 16,579.22; **Disclosure of percentage of AUM by geography: % of Total AUM as on February 28, 2022:** Top 5 cities: 61.42%, Next 10 cities: 22.16%, Next 20 cities: 7.77%, Next 75 cities: 6.60%, Other: 2.05%, Total: 100.00%; **Disclosure of AUM by Service Category: AUM as on February 28, 2022 (Rs. in Crores):** Mutual Funds: 16,227, PMS: 116, Advisory: 2,407, Total: 18,749.

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