



# PGIM INDIA SMALL CAP FUND

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

July 2024

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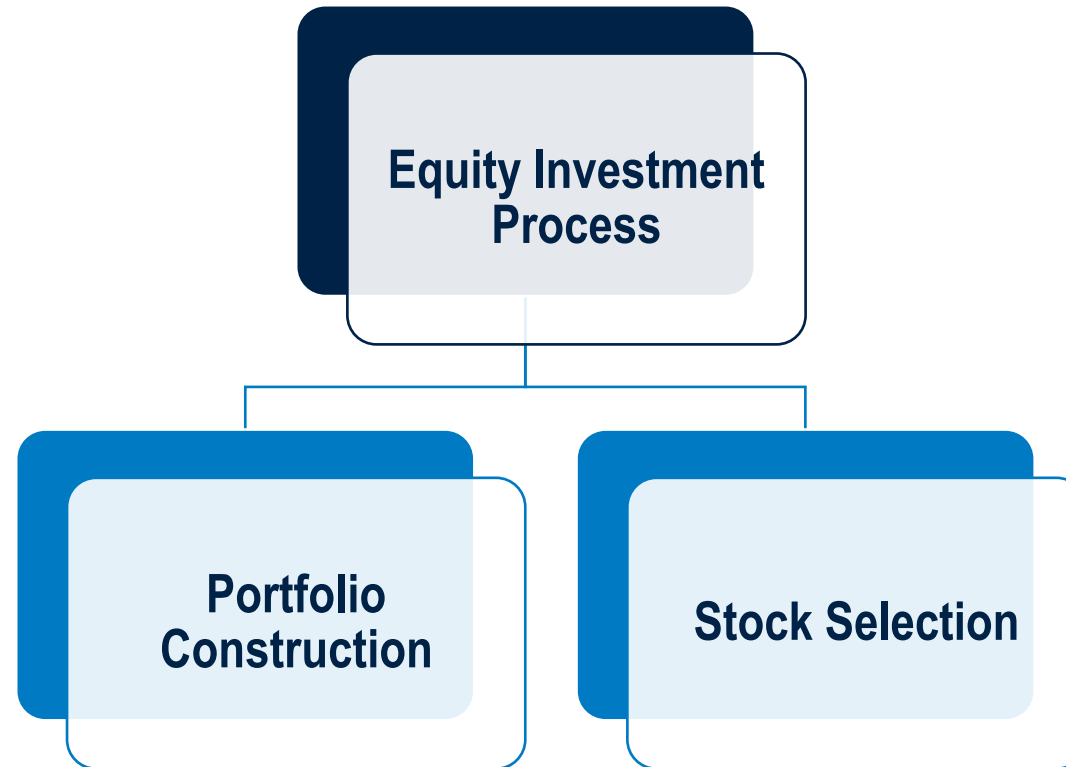
**3** Why PGIM India Small Cap Fund?



# PGIM India – Equity Investment Process

# PGIM India – Equity Investment Process

Our investment process is based on the following pillars:



# Stock selection: Criteria to build fund house universe

- The starting point for our fund house universe will be all companies with a market cap greater than Rs.1,000 crores (including any IPOs)
- As of Dec-2023, there are 1218 companies with market capitalization greater than Rs 1000 crores\*
- We then look at the following 3 parameters to further filter the universe:



## Quality

- Higher than peer average RoE
- Sustainable ROE



## Growth

- Higher than peer group growth in earnings
- Sustainable earnings growth

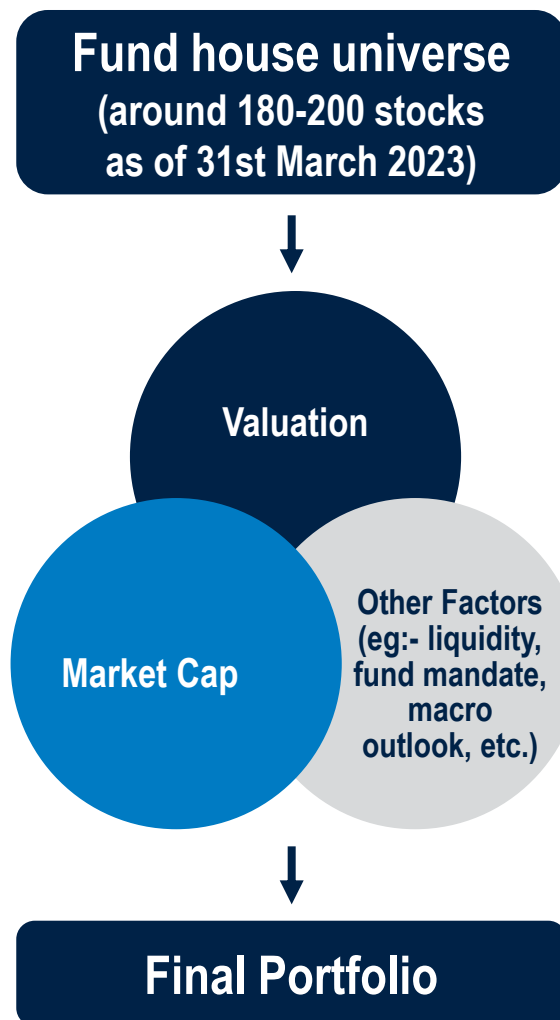


## Management

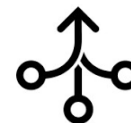
- Good Quality Management
- Good Capital Allocation Track Record
- Operating cash flow positive in 7 out of 10 years (ex-financials)\*\*

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

# Portfolio Construction: Designing an optimal portfolio



## Portfolio construction principles



Diversification



High Active Share



Lower portfolio turnover

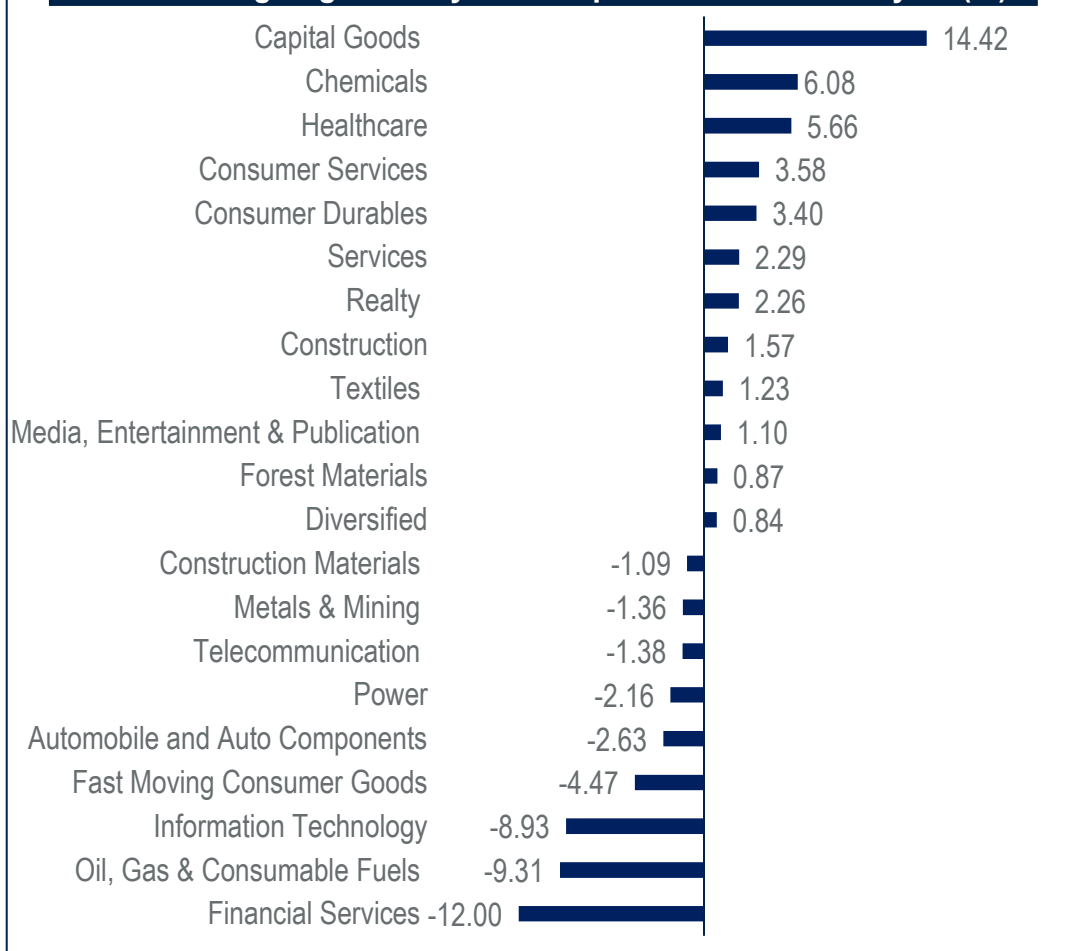


True to mandate

# Why Small Caps?

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

Relative weightage of Nifty Smallcap 250 index over Nifty 50 (%)

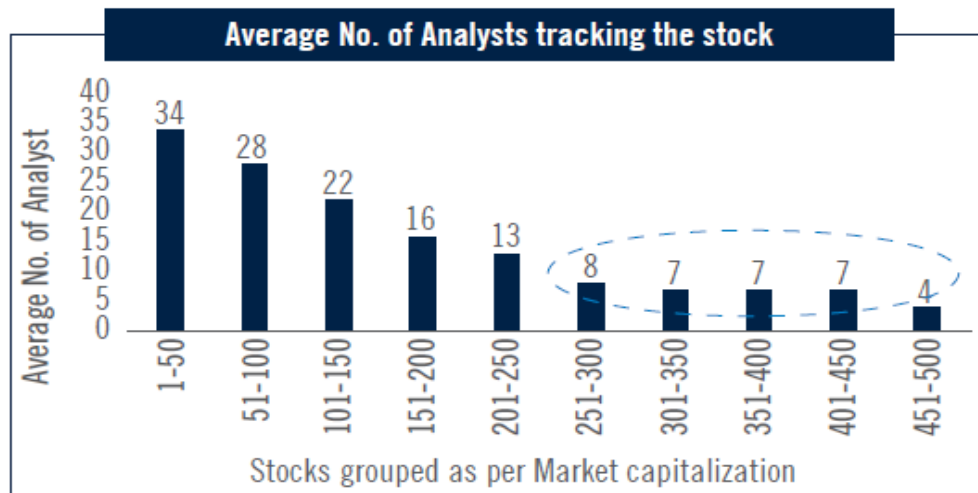


- Within the smallcap segment there are many sectors where larger companies don't have a significant presence
- This provides a style diversification opportunity to investors
- Examples of such industries could be metals & mining, construction & construction materials
- Smallcaps may provide some unique opportunities such as companies with:
  - Potential to gain market share from established players
  - Ability to scale rapidly
  - Niche business / emerging business

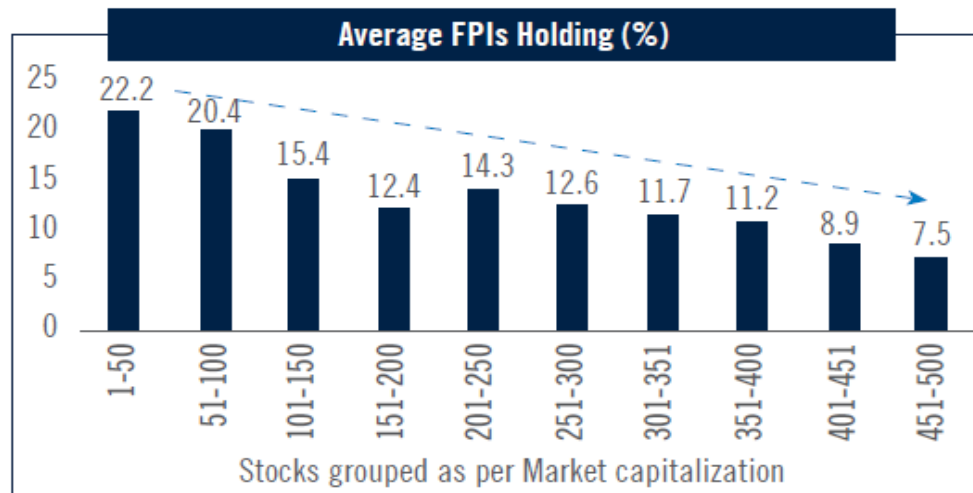
Source: Nifty indices ; Data as of 31 July 2024. Stocks mentioned are for illustration purpose only and not meant as a recommendation to buy or sell the security. The Scheme may or may not invest in these stocks. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).



# Smallcaps: Under-researched and Under-owned



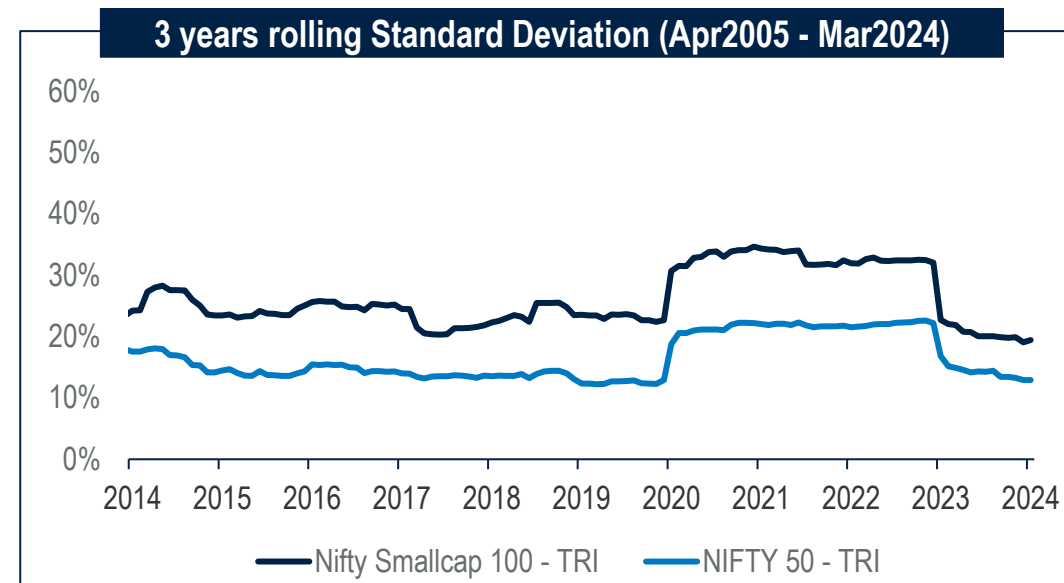
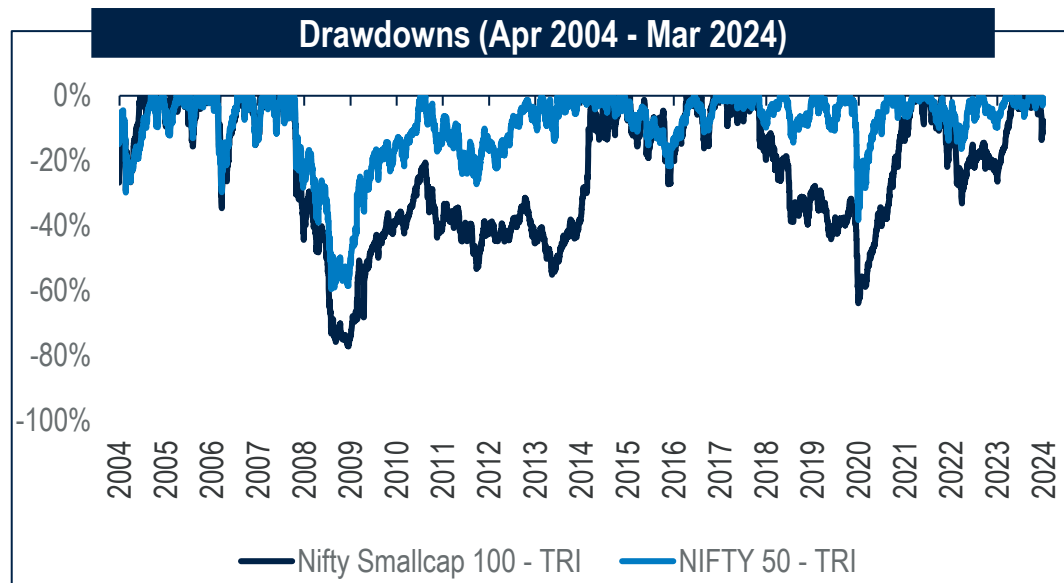
- Proprietary research becomes important as one goes down the capitalization curve, as number of analyst tracking smallcap is relatively less
- PGIM India has a proven track record in identifying bottom-up stock ideas, with an experienced research team



(The ownership data also includes any ADR/GDR)

- 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 - rating

# 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

# Why PGIM India Small Cap Fund?

# PGIM India Small Cap Fund - Characteristics

## ASSET ALLOCATION

Minimum 65% allocation to smallcap stocks

Smallcaps defined as stocks beyond top 250 as ranked by market cap\*

## INVESTMENT APPROACH

Quality and Growth focused

Focus on ROE, Growth, FCF and leverage ratios

## PORTFOLIO CONSTRUCT

Marketcap allocation range for smallcaps – Below ~Rs. 27,487 crs. (current marketcap of 251st stock. Source: AMFI)

## ASSET ALLOCATION

Upto 35% of the portfolio can be allocated across Large, Mid and Smallcap, debt and money market instruments

# 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



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



- Investors with an investment horizon of at least 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 <sup>^</sup>		Nifty 50 TRI <sup>#</sup>	
	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
<b>PGIM India Small Cap Fund(G) – Regular Plan</b>						
Last 1 Year	32.28	13,238	58.91	15,911	27.76	12,784
Last 3 Years	16.29	15,740	26.26	20,151	17.86	16,387
Since Inception	16.28	15,740	26.43	20,249	17.80	16,371
<b>PGIM India Small Cap Fund(G) – Direct Plan</b>						
Last 1 Year	34.33	13,444	58.91	15,911	27.76	12,784
Last 3 Years	18.34	16,590	26.26	20,151	17.86	16,387
Since Inception	18.33	16,590	26.43	20,249	17.80	16,371

Performance as on July 31, 2024 ; Date of Inception: Regular Plan: July 29, 2021; Direct Plan: July 29, 2021. CAGR – Compounded Annual Growth Rate. <sup>^</sup> Scheme Benchmark. <sup>#</sup> 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.

Vinay Paharia (Equity Portion) is managing this fund from April 01, 2023. Utsav Mehta (Equity Portion) is managing this fund from April 15, 2024. Vivek Sharma (Equity Portion) is managing this fund from April 15, 2024.

Harsh Kothari (Equity Portion) is managing this fund from October 12, 2023. Chetan Gindodia (Overseas Investment) is managing this fund from March 29, 2024. Puneet Pal (Debt Portion) is managing this fund from April 01, 2023. For performance of other schemes managed by the fund managers please refer to the next slides.

# Performance of other schemes managed by Vinay Paharia

Scheme Name	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
<b>Top 3 Schemes Performance (%)</b>				
PGIM India Midcap Opportunities Fund*	32.88	17.38	31.46	April 01, 2023
NIFTY Midcap 150 TRI^	55.35	28.60	31.54	
PGIM India ELSS Tax Saver Fund*	24.17	16.43	19.69	April 01, 2023
Nifty 500 TRI^	39.15	21.05	22.32	
PGIM India Flexi Cap Fund*	26.12	12.34	22.55	April 01, 2023
NIFTY 500 TRI^	39.15	21.05	22.32	
<b>Bottom 3 Schemes Performance (%)</b>				
PGIM India Equity Savings Fund*	9.42	6.67	7.94	April 01, 2023
NIFTY Equity Savings Index^	14.78	10.18	10.83	
PGIM India Balanced Advantage Fund*	17.19	10.63	--	April 01, 2023
CRISIL Hybrid 50+50 Moderate Index^	21.90	13.15	--	
PGIM India Hybrid Equity Fund*	19.79	9.90	13.44	April 01, 2023
CRISIL Hybrid 35+65 - Aggressive Index^	26.26	15.36	16.75	

^ Scheme Benchmark. All the above returns are in CAGR. CAGR – Compounded Annual Growth Rate. The performance provided is for Regular Plan - Growth Option.

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. Vinay Paharia is managing 10 schemes of PGIM India Mutual Fund.

\*PGIM India Midcap Opportunities Fund is co-managed by Vivek Sharma (Equity), Utsav Mehta (Equity) and Puneet Pal (Debt).

\*PGIM India Flexi Cap Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity), Vivek Sharma (Equity), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt).

\*PGIM India ELSS Tax Saver Fund is co-managed by Vivek Sharma (Equity Portion), Utsav Mehta (Equity Portion) and Bhupesh Kalyani (Debt Portion).

\*PGIM India Equity Savings Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity), Vivek Sharma (Equity), Chetan Chavan (Equity) and Puneet Pal (Debt).

\*PGIM India Hybrid Equity Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity), Vivek Sharma (Equity), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt).

\*PGIM India Balanced Advantage Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity), Chetan Chavan (Equity), Utsav Mehta (Equity), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt).

Please refer to [www.pgimindiaf.com](http://www.pgimindiaf.com) for details on performance of all schemes including direct plans. Performance as on July 31, 2024.



# Performance of other schemes managed by Utsav Mehta

Scheme Name	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
PGIM India Midcap Opportunities Fund*	32.88	17.38	31.46	November 01, 2023
NIFTY Midcap 150 TRI^	55.35	28.60	31.54	
PGIM India ELSS Tax Saver Fund*	24.17	16.43	19.69	April 01, 2023
Nifty 500 TRI^	39.15	21.05	22.32	
PGIM India Balanced Advantage Fund*	17.19	10.63	--	April 01, 2023
CRISIL Hybrid 50+50 Moderate Index^	21.90	13.15	--	

^ Scheme Benchmark. All the above returns are in CAGR. CAGR – Compounded Annual Growth Rate. The performance provided is for Regular Plan - Growth Option.

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. Utsav Mehta is managing 5 schemes of PGIM India Mutual Fund

\*PGIM India Balanced Advantage Fund is co-managed by Utsav Mehta (Equity Portion), Vinay Paharia (Equity), Chetan Chavan (Equity), Chetan Gindodia (Overseas) and Puneet Pal (Debt Portion).

\*PGIM India ELSS Tax Saver Fund is co-managed by Vivek Sharma (Equity Portion), Utsav Mehta (Equity Portion) and Vinay Paharia (Equity Portion).

\*PGIM India Midcap Opportunities Fund is co-managed by Vivek Sharma (Equity), Vinay Paharia (Equity) and Puneet Pal (Debt).

Please refer to [www.pgimindiamf.com](http://www.pgimindiamf.com) for details on performance of all schemes including direct plans. Performance as on July 31, 2024.

# Performance of other schemes managed by Vivek Sharma

Scheme Name	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
<b>Top 3 Schemes Performance (%)</b>				
PGIM India Midcap Opportunities Fund*	32.88	17.38	31.46	April 15, 2024
NIFTY Midcap 150 TRI <sup>^</sup>	55.35	28.60	31.54	
PGIM India ELSS Tax Saver Fund*	24.17	16.43	19.69	April 15, 2024
Nifty 500 TRI <sup>^</sup>	39.15	21.05	22.32	
PGIM India Flexi Cap Fund*	26.12	12.34	22.55	April 15, 2024
NIFTY 500 TRI <sup>^</sup>	39.15	21.05	22.32	
<b>Bottom 3 Schemes Performance (%)</b>				
PGIM India Equity Savings Fund*	9.42	6.67	7.94	April 15, 2024
NIFTY Equity Savings Index <sup>^</sup>	14.78	10.18	10.83	
PGIM India Hybrid Equity Fund*	19.79	9.90	13.44	April 15, 2024
CRISIL Hybrid 35+65 - Aggressive Index <sup>^</sup>	26.26	15.36	16.75	
PGIM India Large Cap Fund*	24.14	13.31	15.49	April 15, 2024
NIFTY 100 TRI <sup>^</sup>	33.59	18.76	19.62	

<sup>^</sup> Scheme Benchmark. All the above returns are in CAGR. CAGR – Compounded Annual Growth Rate. The performance provided is for Regular Plan - Growth Option.

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. Vivek Sharma is managing 7 schemes of PGIM India Mutual Fund.

\*PGIM India Midcap Opportunities Fund is co-managed by Vinay Paharia (Equity Portion), Utsav Mehta (Equity Portion), Vivek Sharma (Equity Portion) and Bhupesh Kalyani (Debt Portion).

\*PGIM India Flexi Cap Fund is co-managed by Vinay Paharia (Equity Portion), Anandha Padmanabhan Anjeneyan (Equity Portion), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt Portion).

\*PGIM India Equity Savings Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity Portion), Vinay Paharia (Equity Portion), Chetan Chavan (Equity Portion) and Puneet Pal (Debt Portion).

\*PGIM India Hybrid Equity Fund is co-managed by Vinay Paharia (Equity), Anandha Padmanabhan Anjeneyan (Equity Portion), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt).

\*PGIM India Large Cap Fund is co-managed by Vinay Paharia (Equity Portion), Anandha Padmanabhan Anjeneyan (Equity Portion) and Bhupesh Kalyani (Debt Portion).

\*PGIM India ELSS Tax Saver Fund is co-managed by Utsav Mehta (Equity Portion), Vinay Paharia (Equity Portion) and Bhupesh Kalyani (Debt Portion).

Please refer to [www.pgimindiamf.com](http://www.pgimindiamf.com) for details on performance of all schemes including direct plans. Performance as on July 31, 2024.

# Performance of other schemes managed by Chetan Gindodia

Scheme Name	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
<b>Top 3 Schemes Performance (%)</b>				
PGIM India Emerging Markets Equity Fund*	20.23	-10.02	1.68	March 29, 2024
MSCI Emerging Markets Index TRI	8.10	1.17	7.51	
PGIM India Flexi Cap Fund*	26.12	12.34	22.55	March 29, 2024
NIFTY 500 TRI^	39.15	21.05	22.32	
PGIM India Global Equity Opportunities Fund	22.75	2.16	16.23	March 29, 2024
MSCI All Country World Index^	19.00	9.99	15.44	
<b>Bottom 3 Schemes Performance (%)</b>				
PGIM India Global Select Real Estate Securities Fund Of Fund	11.74	--	--	March 29, 2024
FTSE EPRA / NAREIT Developed Index^	9.88	--	--	
PGIM India Balanced Advantage Fund*	17.19	10.63	NA	March 29, 2024
CRISIL Hybrid 50+50 Moderate Index^	21.90	13.15	NA	
PGIM India Hybrid Equity Fund*	19.79	9.90	13.44	March 29, 2024
CRISIL Hybrid 35+65 - Aggressive Index^	26.26	15.36	16.75	

^ Scheme Benchmark. All the above returns are in CAGR. CAGR – Compounded Annual Growth Rate. The performance provided is for Regular Plan - Growth Option.

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. Chetan Gindodia (Dedicated Overseas Fund Manager) is managing 8 schemes of PGIM India Mutual Fund .On account of difference in scheme features, the performance of these schemes are not strictly comparable

\*PGIM India Flexi Cap Fund is co-managed by Vinay Paharia (Equity Portion), Anandha Padmanabhan Anjeneyan (Equity Portion), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt Portion).

\*PGIM India Hybrid Equity Fund is co-managed by Vinay Paharia (Equity), Anandha Padmanabhan Anjeneyan (Equity Portion), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt).

\*PGIM India Balanced Advantage Fund is co-managed by Vinay Paharia (Equity Portion), Anandha Padmanabhan Anjeneyan (Equity Portion), Utsav Mehta (Equity Portion), Chetan Chavan (Equity Portion), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt Portion)

# Performance of other schemes managed by Puneet Pal

Scheme Name	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
<b>Top 3 Schemes Performance (%)</b>				
PGIM India Midcap Opportunities Fund*	32.88	17.38	31.46	April 01, 2023
NIFTY Midcap 150 TRI <sup>^</sup>	55.35	28.60	31.54	
PGIM India Hybrid Equity Fund*	19.79	9.90	13.44	April 01, 2023
CRISIL Hybrid 35+65 - Aggressive Index <sup>^</sup>	26.26	15.36	16.75	
PGIM India Flexi Cap Fund*	26.12	12.34	22.55	April 01, 2023
NIFTY 500 TRI <sup>^</sup>	39.15	21.05	22.32	
<b>Bottom 3 Schemes Performance (%)</b>				
PGIM India Ultra Short Duration Fund*	6.65	5.37	5.93	December 13, 2017
CRISIL Ultra Short Duration Debt A-I Index <sup>^</sup>	7.56	6.16	5.91	
PGIM India Overnight Fund*	6.72	5.49	--	December 13, 2017
NIFTY 1D Rate Index <sup>^</sup>	6.85	5.62	--	
PGIM India Corporate Bond Fund*	6.80	5.13	6.10	July 16, 2022
CRISIL Corporate Debt A-II Index <sup>^</sup>	7.47	5.57	6.67	

<sup>^</sup> 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. Puneet Pal is managing 17 schemes of PGIM India Mutual Fund.

\*PGIM India Ultra Short Duration Fund is co-managed by Mr. Puneet Pal. \*PGIM India Corporate Bond Fund is co-managed by Mr. Puneet Pal. \*PGIM India Overnight Fund is co-managed by Mr. Puneet Pal. Returns for the benchmark have been calculated using TRI values.

\*PGIM India Flexi Cap Fund is co-managed by Vinay Paharia (Equity Portion), Anandha Padmanabhan Anjeneyan (Equity Portion), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt Portion).

\*PGIM India Midcap Opportunities Fund is co-managed by Vinay Paharia (Equity Portion), Utsav Mehta (Equity Portion), Vivek Sharma (Equity Portion) and Bhupesh Kalyani (Debt Portion).

\*PGIM India Hybrid Equity Fund is co-managed by Vivek Sharma (Equity Portion), Vinay Paharia (Equity Portion), Anandha Padmanabhan Anjeneyan (Equity Portion) and Chetan Gindodia (Overseas Investment)

Top three and bottom three schemes managed by the fund manager have been derived on the basis of last one year performance ending on July 31, 2024. Performance as on July 31, 2024

# Fund Facts

<b>Scheme Name</b>	<b>PGIM India Small Cap Fund</b>
<b>Type of scheme</b>	An open-ended equity scheme predominantly investing in small cap stocks
<b>Investment objective</b>	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.
<b>Plan / Options</b>	IDCW** (Payout of Income Distribution cum Capital Withdrawal option / Reinvestment of Income Distribution cum Capital Withdrawal option) and Growth.
<b>Exit Load</b>	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.
<b>Fund Manager</b>	Mr. Vivek Sharma (Equity Portion) Mr. Vinay Paharia (Equity Portion) Mr. Utsav Mehta (Equity Portion) Mr. Harsh Kothari (Equity Portion) Mr. Chetan Gindodia (Overseas Investment) Mr. Puneet Pal (Debt Portion)
<b>Benchmark Index</b>	NIFTY Smallcap 250 TRI

\*\*Income Distribution cum Capital Withdrawal option

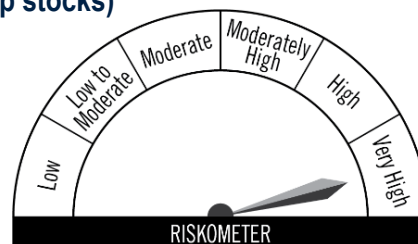
## **PGIM INDIA SMALL CAP FUND**

**(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

Important Disclosures: The information contained herein is provided by PGIM India Asset Management private Ltd ((the AMC) (on the basis of publicly available information, internally developed data and other third party sources believed to be reliable. However, the AMC cannot guarantee the accuracy of such information, assure its completeness, or warrant such information will not be changed. The information contained herein is current as of the date of issuance\* (or such earlier date as referenced herein) and is subject to change without notice. The AMC has no obligation to update any or all of such information; nor does the AMC make any express or implied warranties or representations as to its completeness or accuracy. There can be no assurance that any forecast made herein will be actually realized. These materials do not take into account individual investor's objectives, needs or circumstances or the suitability of any securities, financial instruments or investment strategies described herein for particular investor. Hence, each investor is advised to consult his or her own professional investment / tax advisor / consultant for advice in this regard. The information contained herein is provided on the basis of and subject to the explanations, caveats and warnings set out elsewhere herein. These materials are not intended for distribution to or use by any person in any jurisdiction where such distribution would be contrary to local law or regulation. Distribution of these materials to any person other than the person to whom it was originally delivered and to such person's advisers is unauthorized, and any reproduction of these materials, in whole or in part without the prior consent of the AMC, is prohibited. The views of the Fund Manager should not be construed as an advice and investors must make their own investment decisions regarding investment/ disinvestment in securities market and/or suitability of the fund based on their specific investment objectives and financial positions and using such independent advisors as they believe necessary. © 2024 Prudential Financial, Inc. (PFI) and its related entities. PGIM, the PGIM logo, and the Rock symbol are service marks of Prudential Financial, Inc., and its related entities, registered in many jurisdictions worldwide.

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

Document Date: August 30, 2024

Document Number: C86/2024-25



**PGIM**

**India Mutual Fund**