



PGIM
India Mutual Fund

Gain from experience

PGIM INDIA SMALL CAP FUND

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

March 2024

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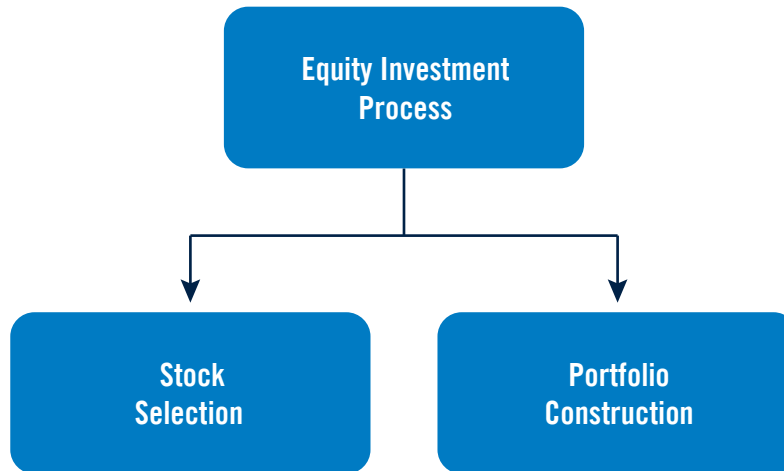
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PGIM India – Equity Investment Process

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 market cap greater than Rs.1,000 crores (including any IPOs)
- As of Dec-2022, there are 1037 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

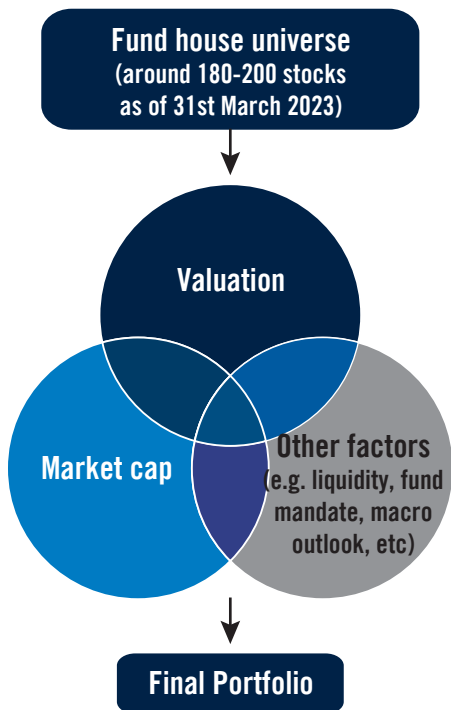


Management

- Good quality management
- Good capital allocation track record
- Operating cash flow positive in 7 out of 10 years (ex financials) (In companies with less than 10 years of data available, at least 70% of the years should have generated positive operating cash flows)

*Source: AMFI

Portfolio Construction: Designing an optimal portfolio

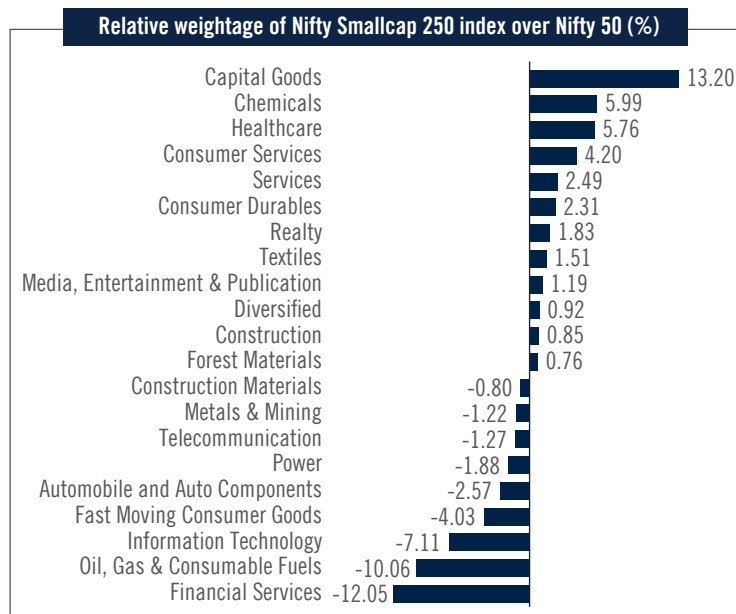


Portfolio construction principles

-  **Diversification**
-  **High Active Share**
-  **Lower portfolio turnover**
-  **True to mandate**

Why Small Caps?

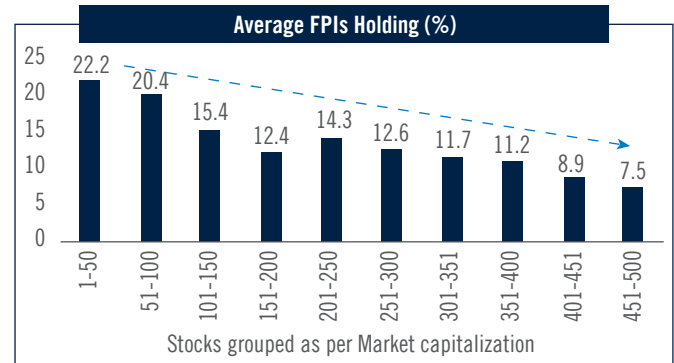
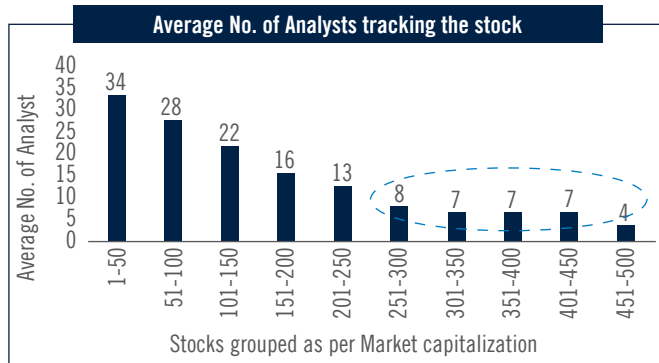
Smallcaps: Can take meaningful exposure to sectors where largecaps have less presence



- 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: Niftyindices. Data as of 28 March 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

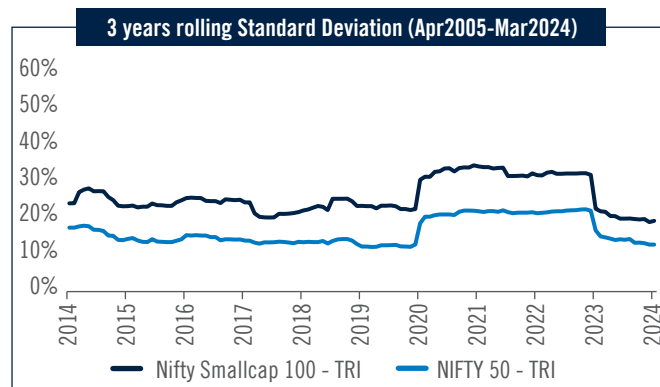
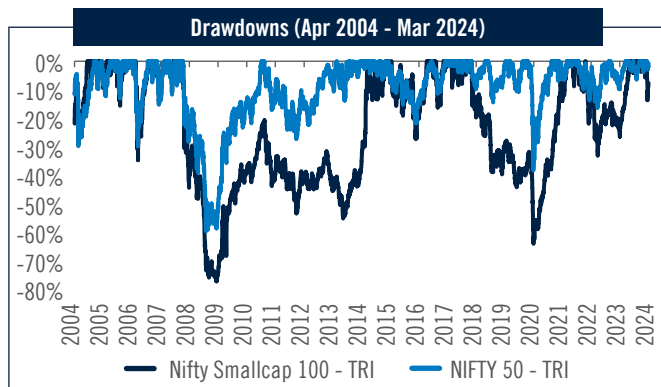


(The ownership data also includes any ADR/GDR)

- 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-2023

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*	Quality and Growth focused Focus on ROE, Growth, FCF and leverage ratios
PORTFOLIO CONSTRUCT	ASSET ALLOCATION
Marketcap allocation range for smallcaps – Below Rs16474 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

+

Patience

=

**Potential to make
significant profits**

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	30.11	12,992	64.60	16,415	30.27	13,008
Since Inception	10.98	13,200	19.66	16,135	15.13	14,558
PGIM India Small Cap Fund(G)-Direct Plan						
Last 1 Year	32.14	13,194	64.60	16,415	30.27	13,008
Since Inception	12.97	13,840	19.66	16,135	15.13	14,558

Date of Inception: Regular Plan: July 29, 2021; Direct Plan: July 29, 2021. CAGR – Compounded Annual Growth Rate

[^] 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.

Vinay Paharia (Equity Portion) is managing this fund from April 01, 2023. Anandha Padmanabhan Anjeneyan (Equity Portion) is managing this fund from April 01, 2023. 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 schemes managed by Vinay Paharia, Anandha Padmanabhan Anjeneyan, Chetan Gindodia and Puneet Pal refer to the next slides.

The above returns are as on March 28, 2024

Performance of other schemes managed by Vinay Paharia

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
Top 3 Schemes Performance (%)				
PGIM India Midcap Opportunities Fund*	29.24	19.86	23.97	April 01, 2023
NIFTY Midcap 150 TRI^	57.93	26.56	23.31	
PGIM India Flexi Cap Fund*	27.12	15.34	18.46	April 01, 2023
NIFTY 500 TRI^	40.75	19.32	17.19	
PGIM India Large Cap Fund*	27.08	13.22	12.87	April 01, 2023
NIFTY 100 TRI^	35.01	17.00	15.50	
Bottom 3 Schemes Performance (%)				
PGIM India Equity Savings Fund*	9.52	7.62	7.31	April 01, 2023
NIFTY Equity Savings Index^	15.49	9.53	9.66	
PGIM India Balanced Advantage Fund*	17.35	9.86	–	April 01, 2023
CRISIL Hybrid 50+50 Moderate Index^	22.79	12.11	–	
PGIM India Hybrid Equity Fund*	20.99	11.19	10.61	April 01, 2023
CRISIL Hybrid 35+65 - Aggressive Index^	27.43	14.09	14.10	

^ 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. 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 9 schemes of PGIM India Mutual Fund. *PGIM India Large Cap Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity Portion) and Bhupesh Kalyani (Debt Portion). *PGIM India Flexi Cap Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity Portion), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt Portion). *PGIM India Midcap Opportunities Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity Portion) and Puneet Pal (Debt Portion). *PGIM India Equity Savings Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity Portion), Chetan Chavan (Equity Portion) and Puneet Pal (Debt Portion). *PGIM India Hybrid Equity Fund is co-managed by Anandha Padmanabhan Anjeneyan (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), Chetan Gindodia (Overseas) and Bhupesh Kalyani (Debt). Please refer to www.pgimindiamf.com for details on performance of all schemes including direct plans. Performance as on March 28, 2024.

Performance of another scheme managed by Anandha Padmanabhan Anjeneyan

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
Top 3 Schemes Performance (%)				
PGIM India Midcap Opportunities Fund*	29.24	19.86	23.97	August 19, 2023
NIFTY Midcap 150 TRI^	57.93	26.56	23.31	
PGIM India Flexi Cap Fund*	27.12	15.34	18.46	April 01, 2023
NIFTY 500 TRI^	40.75	19.32	17.19	
PGIM India Large Cap Fund*	27.08	13.22	12.87	April 01, 2023
NIFTY 100 TRI^	35.01	17.00	15.50	
Bottom 3 Schemes Performance (%)				
PGIM India Equity Savings Fund*	9.52	7.62	7.31	April 01, 2023
NIFTY Equity Savings Index^	15.49	9.53	9.66	
PGIM India Balanced Advantage Fund*	17.35	9.86	–	April 01, 2023
CRISIL Hybrid 50+50 Moderate Index^	22.79	12.11	–	
PGIM India Hybrid Equity Fund*	20.99	11.19	10.61	April 01, 2023
CRISIL Hybrid 35+65 - Aggressive Index^	27.43	14.09	14.10	

^ 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. 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 9 schemes of PGIM India Mutual Fund. *PGIM India Large Cap Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity Portion) and Bhupesh Kalyani (Debt Portion). *PGIM India Flexi Cap Fund is co-managed by 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) and Puneet Pal (Debt Portion). *PGIM India Equity Savings Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity Portion), Chetan Chavan (Equity Portion) and Puneet Pal (Debt Portion). *PGIM India Hybrid Equity Fund is co-managed by Anandha Padmanabhan Anjeneyan (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), Chetan Gindodia (Overseas) and Bhupesh Kalyani (Debt). Please refer to www.pgimindiafm.com for details on performance of all schemes including direct plans. Performance as on March 28, 2024.

Performance of other schemes managed by Chetan Gindodia

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
Top 3 Schemes Performance (%)				
PGIM India Global Equity Opportunities Fund	37.10	7.86	17.31	April 01, 2023
MSCI All Country World Index [^]	25.22	11.73	15.07	
PGIM India Flexi Cap Fund*	27.12	15.34	18.46	April 01, 2023
NIFTY 500 TRI [^]	40.75	19.32	17.19	
PGIM India Hybrid Equity Fund*	20.99	11.19	10.61	April 01, 2023
CRISIL Hybrid 35+65 - Aggressive Index [^]	27.43	14.09	14.10	
Bottom 3 Schemes Performance (%)				
PGIM India Global Select Real Estate Securities Fund Of Fund	11.57	–	–	April 01, 2023
FTSE EPRA / NAREIT Developed Index [^]	10.24	–	–	
PGIM India Balanced Advantage Fund*	17.35	9.86	–	April 01, 2023
CRISIL Hybrid 50+50 Moderate Index [^]	22.79	12.11	–	
PGIM India Emerging Markets Equity Fund	19.43	-8.33	0.93	April 01, 2023
MSCI Emerging Market Index TRI [^]	9.83	-0.83	6.06	

[^] 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. 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 Hybrid Equity Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity portion), Vinay Paharia (Equity Portion) and Puneet Pal (Debt portion). *PGIM India Flexi Cap Fund is co-managed by Vinay Paharia (Equity Portion), Anandha Padmanabhan Anjeneyan (Equity Portion) and Puneet Pal (Debt Portion). *PGIM India Balanced Advantage Fund is co-managed by Vinay Paharia (Equity Portion), Anandha Padmanabhan Anjeneyan (Equity Portion), Harsh Kothari (Equity Portion) and Puneet Pal (Debt Portion). Please refer www.pgimindiamf.com for details on performance of all schemes (including Direct Plan). Performance as on March 28, 2024.

Performance of other schemes managed by Puneet Pal

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
Top 3 Schemes Performance (%)				
PGIM India Midcap Opportunities Fund*	29.24	19.86	23.97	July 16, 2022
NIFTY Midcap 150 TRI^	57.93	26.56	23.31	
PGIM India Flexi Cap Fund*	27.12	15.34	18.46	April 01, 2023
NIFTY 500 TRI^	40.75	19.32	17.19	
PGIM India Hybrid Equity Fund*	20.99	11.19	10.61	April 01, 2023
CRISIL Hybrid 35+65 - Aggressive Index^	27.43	14.09	14.10	
Bottom 3 Schemes Performance (%)				
PGIM India Ultra Short Duration Fund*	6.65	5.01	6.60	December 13, 2017
CRISIL Ultra Short Duration Debt A-I Index^	7.61	5.75	5.94	
PGIM India Overnight Fund*	6.70	5.10	–	July 16, 2022
NIFTY 1D Rate Index^	6.84	5.23	–	
PGIM India Arbitrage Fund*	6.95	5.01	4.84	July 16, 2022
NIFTY 50 Arbitrage Index^	8.17	5.72	5.10	

^ 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 16 schemes of PGIM India Mutual Fund. *PGIM India Midcap Opportunities Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity), Vinay Paharia (Equity), Utsav Mehta (Equity). *PGIM India Ultra Short Duration Fund is co-managed by Mr. Bhupesh Kalyani (Debt). *PGIM India Hybrid Equity Fund is co-managed by Vinay Paharia (Equity), Anandha Padmanabhan Anjeneyan (Equity) and Chetan Gindodia (Overseas Investments). *PGIM India Flexi Cap Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity), Vinay Paharia (Equity) and Chetan Gindodia (Overseas Investment). *PGIM India Arbitrage Fund is co-managed by Chetan Chavan (Equity). *PGIM India Overnight Fund is co-managed by Bhupesh Kalyani (Debt). 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 March 28, 2024. Performance as on March 28, 2024. The performance for PGIM India Overnight Fund is as of March 31, 2024.

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. Vinay Paharia (Equity Portion), Mr. Anandha Padmanabhan Anjeneyan (Equity Portion), Harsh Kothari (Equity Portion), Mr. Chetan Gindodia (Overseas Investment), Mr. Puneet Pal (Debt Portion)
Benchmark Index	NIFTY Smallcap 250 TRI

**Income Distribution cum Capital Withdrawal option

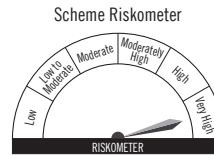
PGIM INDIA SMALL CAP FUND

(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



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