



**PGIM**  
India Mutual Fund

Gain from experience

# PGIM INDIA MIDCAP OPPORTUNITIES FUND

(Mid Cap Fund - An open-ended equity scheme predominantly investing in mid cap stocks)

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May 2024

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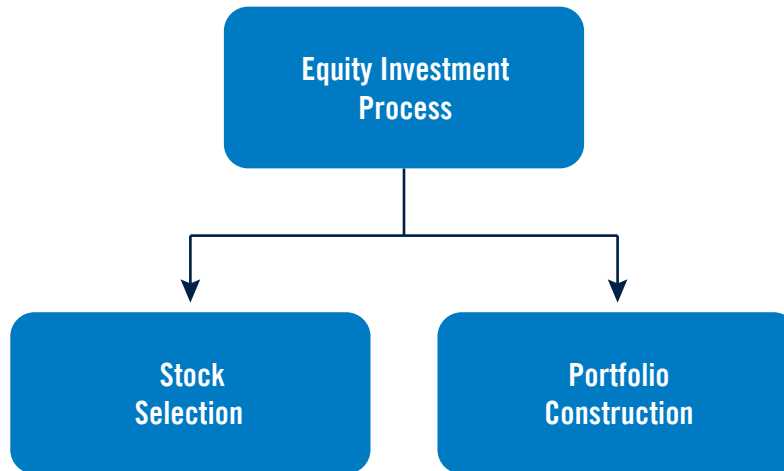
**Why PGIM India Midcap Opportunities Fund?**

# **PGIM India – Equity Investment Process**

# PGIM India – Equity Investment Process

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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

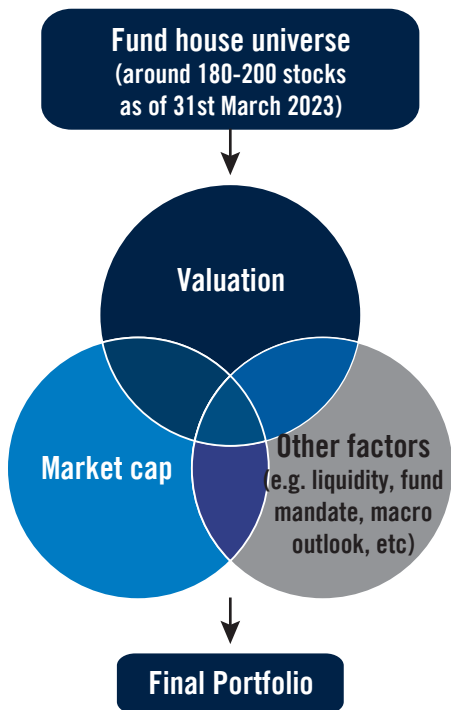


### Management

- 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 Midcaps?

## Many Themes / Sectors where Midcap companies have presence compared to Large Caps – providing unique opportunities



### **SOFTWARE PRODUCT DEVELOPMENT COMPANIES**

India is seeing emergence of some interesting IT product companies. Different from the normal IT Services companies



### **WATER & WATER TRANSPORTATION**

Water will increasingly become a critical element in the eco-system of India. Higher population & erratic monsoons will require water transportation & river linking



### **DISCRETIONARY RETAIL**

This segment is a beneficiary of rising per capital GDP and higher discretionary spends. Many sub segments find no representation in large caps: Footwear, Clothing brands, Food & Retail chain



### **HOSPITALITY**

Increasing incomes will lead to people travelling more and holidaying. The need for hotel rooms & airlines will grow manifold

These are based in the Fund Managers outlook and are subject to change. The scheme may or may not invest in above themes. These themes may change depending upon the market conditions.



## Many Themes / Sectors where Midcap companies have presence compared to Large Caps – providing unique opportunities



### **REAL ESTATE**

Housing will be a long-term story in India. Post RERA, the transparency has gone up and overtime the competition will come down



### **CHEMICALS**

The sector is seeing a lot of vibrancy in terms of growth and profitability as China clamps down on pollution. Lots of business is flowing to India



### **HOME BUILDING**

As a corollary to the real estate sector, as the sector takes off, there will be a good demand of tiles, sanitary ware, etc. There is very little representation of large caps in the segment

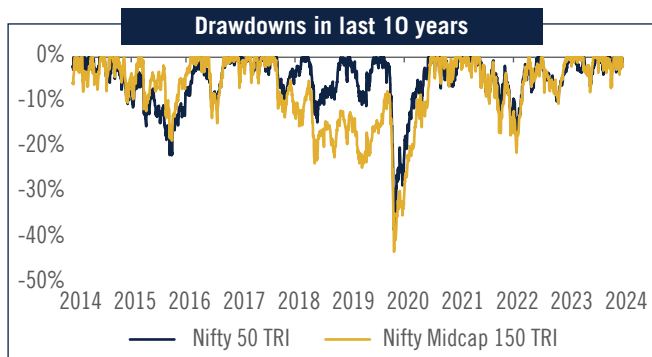


### **STAFFING**

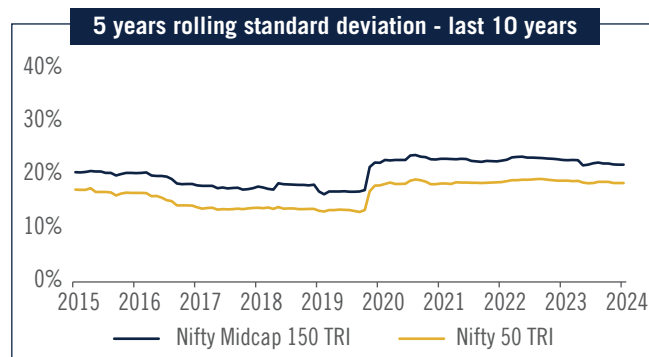
Manpower management is moving from unorganised to organised and the trend to outsource non-core activity will be a big theme, as corporates will focus on core activities and profitability

These are based in the Fund Managers outlook and are subject to change. The scheme may or may not invest in above themes. These themes may change depending upon the market conditions.

# Historically midcaps have been more volatile than large caps; risk appetite may be a consideration for investing



- During periods of contraction, midcaps in general witness a greater drawdown compared to large caps
- However, midcaps also tend to recover quickly as and when the economy revives



- Midcaps are more volatile compared to their largecap counterparts
- Investors should have an appropriate risk appetite before investing in this category

Source: ICRA, Internal Analysis. The above chart is for understanding purpose only. Past performance may or may not sustain in the future. (Midcap represented by Nifty Midcap 150 TRI and large cap represented by Nifty 50 TRI). Chart data as of 31 May 2024

# Why PGIM India Midcap Opportunities Fund?

## PGIM India Midcap Opportunities Fund

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- The scheme invests at least 65% of its net assets in Midcap stocks and maximum of 35% each in Equity & Equity Related Instruments of other companies and Cash, Money Market, Debt Securities, Liquid & Debt schemes of Mutual Fund. Midcap stocks are defined as stocks between 101 to 250 ranked as per market capitalization
- The fund tends to offer you greater growth potential as compared to large cap stocks, and also with less volatility and risk as compared to small cap stocks
- The fund looks to identify quality midcap stocks which can benefit from a favourable economic environment, based on extensive research and thorough selection process
- The fund predominantly invests in midcap stocks in accordance with the investment objective and asset allocation. Fund Manager will select equity securities on a top-down and bottom-up, stock-by-stock basis, with consideration given to valuation parameters as well as growth, margins, asset returns, and cash flows, amongst others
- Stocks are selected on the basis of, amongst others, the historical and current financial condition of the company, potential value creation/unlocking of value and its impact on earnings growth, capital structure, business prospects, policy environment, strength of management, responsiveness to business conditions, product profile, brand equity, market share, competitive edge, research, technological know-how and corporate governance

## Investment Approach : PGIM India Midcap Opportunities Fund



The zebra in the centre is the safest, but gets low quality grass which is stamped by the hoof of other horses



The zebra in the outer periphery has the risk of being attacked by lions but has access to the greener grass.

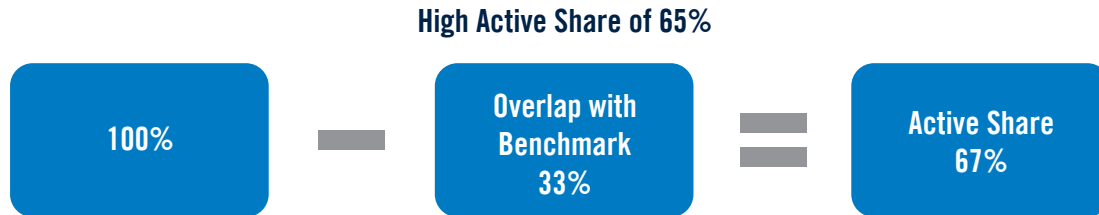


The zebra, which is aware of the risk and stands at the outer periphery gets the best grass and is risk aware

**In the Midcap, we are the risk aware zebra, standing at the periphery**

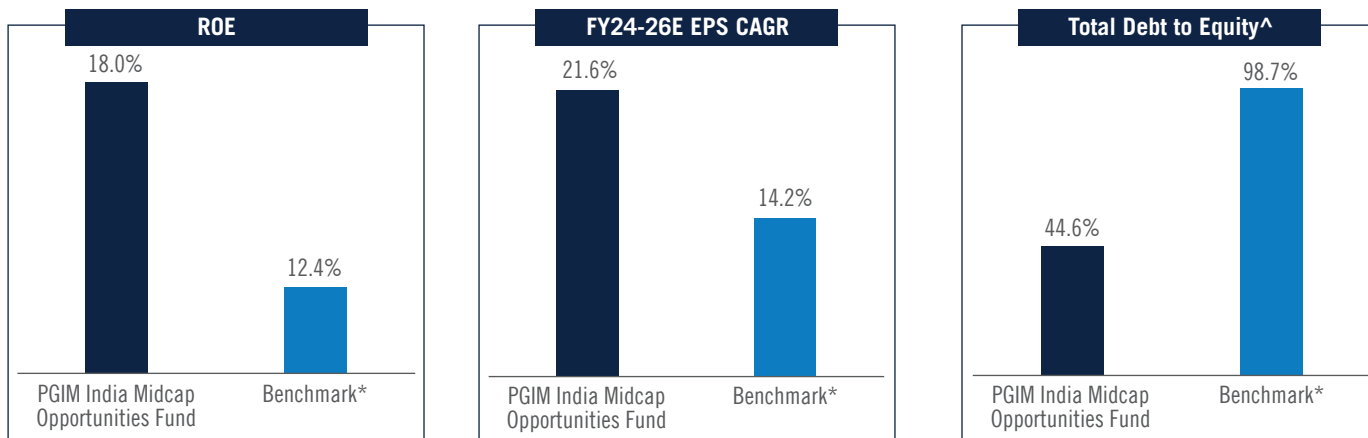
# Approach leads to High-Conviction portfolio with Low Overlap

Top 10 Holdings (% of net assets)	
PGIM India Midcap Opportunities Fund	25.4%
Benchmark*	14.9%



\*Nifty Midcap 150 TR Index. W.e.f. December 01, 2021, the benchmark of the scheme has been changed from Nifty Midcap 100 TR Index to NIFTY Midcap 150 TRI. Numbers may not add up to 100% due to rounding. Data as on 31 May 2024

## Portfolio Metrics - Portfolio with Higher profitability, Higher Growth and Lower Leverage



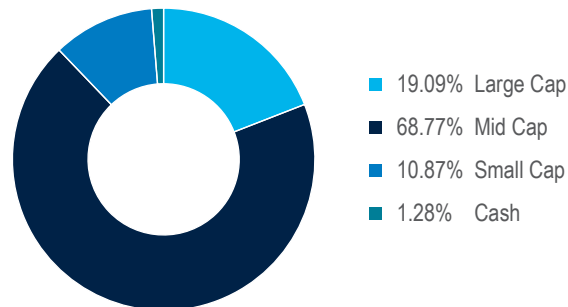
**A portfolio with higher profitability (ROE), higher growth (FY24-26E EPS CAGR) and lower leverage (debt-to-equity ratio) v/s the benchmark index**

Data as on May 31, 2024. \*Nifty Midcap 150 TR Index ^Ex Financials Source: Bloomberg.  
W.e.f. December 01, 2021, the benchmark of the scheme has been changed from Nifty Midcap 100 TR Index to NIFTY Midcap 150 TRI.

## Portfolio Metric – Current Sector and Stock Positioning

Stock (Top 10)	% Holding
Dixon Technologies (India) Ltd.	3.44
Max Healthcare Institute Ltd.	2.93
The Phoenix Mills Ltd.	2.79
Timken India Ltd.	2.74
Cholamandalam Investment & Finance Company Ltd.	2.54
UNO Minda Ltd.	2.51
Solar Industries India Ltd.	2.19
HDFC Bank Ltd.	2.16
Tube Investments Of India Ltd.	2.07
Persistent Systems Ltd.	2.06

Market Cap Breakup

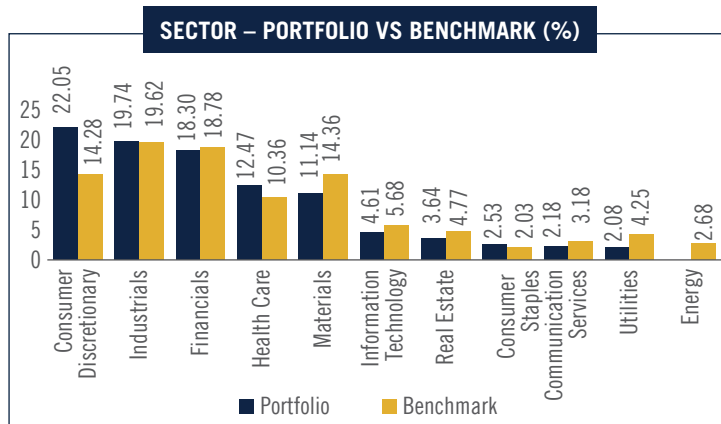


The above weights are in comparison to the benchmark. W.e.f December 01, 2021, the benchmark of the scheme has been changed from Nifty Midcap 100 TR Index to NIFTY Midcap 150 TRI. These are based on the Fund Manager’s outlook and are subject to change Source: Bloomberg. Data as on 31 May 2024



# Portfolio Metric – Current Sector and Stock Positioning

Top 5 Stocks Overweight #	% Overweight
Cholamandalam Investment & Finance Company Ltd.	2.54
Timken India Ltd	2.33
Dixon Technologies India Ltd	2.25
HDFC Bank Limited	2.16
Uno Minda Ltd	1.99
Top 5 Stocks Underweight #	% Underweight
Suzlon Energy Ltd	1.71
Cummins India Ltd	1.63
Yes Bank Ltd	1.37
Bharat Forge Ltd	1.35
PB Fintech Ltd	1.32



The above weights are in comparison to the benchmark. We.f December 01, 2021, the benchmark of the scheme has been changed from Nifty Midcap 100 TR Index to NIFTY Midcap 150 TRI. These are based on the Fund Manager’s outlook and are subject to change Source: Bloomberg. Data as on 31 May 2024

## To Summarize

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### PGIM India Midcap Opportunities Fund

#### A quality portfolio with

- Companies with
  - Respect for capital
  - Good Quality management
  
- Broadly three types of companies
  - High growth
  - Stable growth
  - Turn around
  
- Characteristics of
  - High ROE
  - Low Debt to Equity Ratio

# Fund Performance

	Fund		NIFTY Midcap 150 TRI <sup>^</sup>		NIFTY 50 TRI <sup>#</sup>	
	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*	Returns (%)	Value (INR)*
<b>PGIM India Midcap Opportunities Fund-Reg(G)</b>						
Last 1 Year	25.00	12,507	53.82	15,400	22.95	12,302
Last 3 Years	17.40	16,189	26.69	20,348	14.44	14,991
Last 5 Years	24.96	30,509	25.60	31,291	14.93	20,072
Since Inception	17.89	56,320	22.72	85,857	14.42	41,146
<b>PGIM India Midcap Opportunities Fund(G)-Direct Plan</b>						
Last 1 Year	26.59	12,667	53.82	15,400	22.95	12,302
Last 3 Years	19.19	16,942	26.69	20,348	14.44	14,991
Last 5 Years	26.99	33,064	25.60	31,291	14.93	20,072
Since Inception	19.39	64,310	22.72	85,857	14.42	41,146

Data as on May 31, 2024

Date of Inception: Regular Plan: December 02, 2013; Direct Plan: December 02, 2013. CAGR – Compounded Annual Growth Rate. <sup>^</sup> Scheme Benchmark. <sup>#</sup> Standard Benchmark. We.f. December 01, 2021, the benchmark of the scheme has been changed from Nifty Midcap 100 TRI Index to NIFTY Midcap 150 TRI. \*Based on standard investment of Rs.10,000 made at the beginning of the relevant period. All the above returns are in CAGR. 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 since April 01, 2023, Mr. Vivek Sharma (Equity Portion) is managing this fund since April 15, 2024, Mr. Utsav Mehta (Equity Portion) is managing this fund since November 01, 2023 and Puneet Pal (Debt Portion) is managing this fund from July 16, 2022. For fund performance of schemes by other managers, please refer to the next slides.

## Performance of other schemes managed by Vinay Paharia

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
<b>Top 3 Schemes Performance (%)</b>				
PGIM India Small Cap Fund*	28.23	–	–	April 01, 2023
NIFTY Smallcap 250 TRI^	58.44	–	–	
PGIM India Flexi Cap Fund*	18.96	11.72	17.92	April 01, 2023
NIFTY 500 TRI^	35.06	18.08	17.83	
PGIM India Large Cap Fund*	18.75	10.53	12.15	April 01, 2023
NIFTY 100 TRI^	28.86	15.48	15.66	
<b>Bottom 3 Schemes Performance (%)</b>				
PGIM India Equity Savings Fund*	8.11	6.66	7.10	April 01, 2023
NIFTY Equity Savings Index^	13.05	8.90	9.51	
PGIM India Balanced Advantage Fund*	14.00	9.10	–	April 01, 2023
CRISIL Hybrid 50+50 Moderate Index^	19.14	11.38	–	
PGIM India Hybrid Equity Fund*	15.74	9.08	10.38	April 01, 2023
CRISIL Hybrid 35+65 - Aggressive Index^	23.03	13.16	14.25	

^ 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 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 Large Cap Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity), Vivek Sharma (Equity) and Bhupesh Kalyani (Debt). \*PGIM India Small Cap Fund is co-managed by Utsav Mehta (Equity), Vivek Sharma (Equity), Harsh Kothari (Equity), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt). \*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.pgimindiafm.com](http://www.pgimindiafm.com) for details on performance of all schemes including direct plans. Performance as on May 31, 2024.

## Performance of other schemes managed by Vivek Sharma

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
<b>Top 3 Schemes Performance (%)</b>				
PGIM India Small Cap Fund*	28.23	–	–	April 15, 2024
NIFTY Smallcap 250 TRI^	58.44	–	–	
PGIM India Flexi Cap Fund*	18.96	11.72	17.92	April 15, 2024
NIFTY 500 TRI^	35.06	18.08	17.83	
PGIM India Large Cap Fund*	18.75	10.53	12.15	April 15, 2024
NIFTY 100 TRI^	28.86	15.48	15.66	
<b>Bottom 3 Schemes Performance (%)</b>				
PGIM India Equity Savings Fund*	8.11	6.66	7.10	April 15, 2024
NIFTY Equity Savings Index^	13.05	8.90	9.51	
PGIM India Hybrid Equity Fund*	15.74	9.08	10.38	April 15, 2024
CRISIL Hybrid 35+65 - Aggressive Index^	23.03	13.16	14.25	
PGIM India ELSS Tax Saver Fund*	18.22	14.30	15.69	April 15, 2024
NIFTY 500 TRI^	35.06	18.08	17.83	

^ 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. Vivek Sharma is managing 7 schemes of PGIM India Mutual Fund. \*PGIM India Large Cap Fund is co-managed by Vinay Paharia (Equity Portion), Anandha Padmanabhan Anjeneyan (Equity Portion) and Bupesh 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 Small Cap Fund is co-managed by Utsav Mehta (Equity Portion), Vinay Paharia (Equity Portion), Harsh Kothari (Equity Portion), Chetan Gindodia (Overseas) 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 ELSS Tax Saver Fund is co-managed by Utsav Mehta (Equity Portion), Vinay Paharia (Equity Portion) and Bhupesh Kalyani (Debt). Please refer to [www.pgimindiafm.com](http://www.pgimindiafm.com) for details on performance of all schemes including direct plans. Performance as on May 31, 2024.

## Performance of other schemes managed by Utsav Mehta

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
PGIM India Small Cap Fund*	28.23	–	–	April 15, 2024
NIFTY Smallcap 250 TRI^	58.44	–	–	
PGIM India ELSS Tax Saver Fund*	18.22	14.30	15.69	April 15, 2024
NIFTY 500 TRI^	35.06	18.08	17.83	
PGIM India Balanced Advantage Fund*	14.00	9.10	–	April 01, 2023
CRISIL Hybrid 50+50 Moderate Index^	19.14	11.38	–	

^ 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. Utsav Mehta is managing 5 schemes of PGIM India Mutual Fund. \*PGIM India Small Cap Fund is co-managed by Vivek Sharma (Equity Portion), Vinay Paharia (Equity Portion), Harsh Kothari (Equity Portion), Chetan Gindodia (Overseas Investment) and Puneet Pal (Debt Portion). \*PGIM India ELSS Tax Saver Fund is co-managed by Vivek Sharma (Equity Portion), Vinay Paharia (Equity Portion) and Bhupesh Kalyani (Debt Portion). \*PGIM India Balanced Advantage Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity Portion) Vinay Paharia (Equity), Chetan Chavan (Equity), Chetan Gindodia (Overseas) and Puneet Pal (Debt Portion). Please refer to [www.pgimindiafm.com](http://www.pgimindiafm.com) for details on performance of all schemes including direct plans. Performance as on May 31, 2024.

## Performance of other schemes managed by Puneet Pal

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since
<b>Top 3 Schemes Performance (%)</b>				
PGIM India Small Cap Fund*	28.23	–	–	April 01, 2023
NIFTY Smallcap 250 TRI^	58.44	–	–	
PGIM India Flexi Cap Fund*	18.96	11.72	17.92	April 01, 2023
NIFTY 500 TRI^	35.06	18.08	17.83	
PGIM India Hybrid Equity Fund*	20.23	10.63	11.59	April 01, 2023
CRISIL Hybrid 35+65 - Aggressive Index^	26.58	14.08	15.07	
<b>Bottom 3 Schemes Performance (%)</b>				
PGIM India Corporate Bond Fund*	6.08	4.95	6.22	December 13, 2017
CRISIL Corporate Debt A-II Index^	7.01	5.38	6.80	
PGIM India Ultra Short Duration Fund*	6.62	5.19	6.60	December 13, 2017
CRISIL Ultra Short Duration Debt A-I Index^	7.53	5.96	5.95	
PGIM India Dynamic Bond Fund*	6.69	4.72	5.85	July 16, 2022
CRISIL Dynamic Bond A-III Index^	6.47	5.19	7.14	

^ 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 Flexi Cap Fund is co-managed by Anandha Padmanabhan Anjeneyan (Equity), Vinay Paharia (Equity), Vivek Sharma (Equity Portion) and Chetan Gindodia (Overseas Investment). \*PGIM India Ultra Short Duration Fund is co-managed by Mr. Bhupesh Kalyani (Debt). \*PGIM India Hybrid Equity Fund is co-managed by Vivek Sharma (Equity Portion), Vinay Paharia (Equity), Anandha Padmanabhan Anjeneyan (Equity) and Chetan Gindodia (Overseas Investments). \*PGIM India Small Cap Fund is co-managed by Utsav Mehta (Equity Portion), Vivek Sharma (Equity Portion), Vinay Paharia (Equity), Harsh Kothari (Equity Portion) and Chetan Gindodia (Overseas). \*PGIM India Corporate Bond Fund is co-managed by Bhupesh Kalyani (Debt). \*PGIM India Dynamic Bond 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 May 31, 2024. Performance as on May 31, 2024.

## Fund Facts

<b>Scheme Name</b>	<b>PGIM India Midcap Opportunities Fund</b>
<b>Type of scheme</b>	Mid Cap Fund - An open - ended equity scheme predominantly investing in mid cap stocks
<b>Investment objective</b>	The primary objective of the Scheme is to achieve long-term capital appreciation by predominantly investing in equity & equity related instruments of mid cap companies.
<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>	Vivek Sharma (Equity Portion), Utsav Mehta (Equity Portion), Vinay Paharia (Equity Portion) and Puneet Pal (Debt Portion)
<b>Benchmark Index</b>	Nifty Midcap 150 TR Index (W.e.f. December 01, 2021, the benchmark of the scheme has been changed from Nifty Midcap 100 TRI Index to NIFTY Midcap 150 TRI).

\*\*Income Distribution cum Capital Withdrawal option



# PGIM INDIA MIDCAP OPPORTUNITIES FUND

Mid Cap Fund- An open ended equity scheme predominantly investing in mid cap stocks

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

- Capital appreciation over long run
- To achieve long term capital appreciation by predominantly investing in equity and equity related instruments of mid 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



Investors understand that their principal will be at very high risk

Benchmark Riskometer



Nifty Midcap 150 TR Index  
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.