



# M&G India Fund

Vikas Pershad, Fund Manager

January 2025

Marketing communication. For Professional Investors Only.

The views expressed in this document should not be taken as a recommendation, advice or forecast

# M&G India Fund

## Investment policy:

At least 80% of the fund is invested in the equity securities and equity related instruments of companies that are incorporated, listed, domiciled or do most of their business in India.

The Fund may also invest in other transferable securities (for example, equity securities or equity related instruments of non-Indian companies), money market instruments, cash and near cash for liquidity purposes, directly and via funds (including funds managed by M&G).

Derivatives may be used for Efficient Portfolio Management and hedging

## The main risks associated with this fund

The value and income from the fund's assets will go down as well as up. This will cause the value of your investment to fall as well as rise. There is no guarantee that the fund will achieve its objective and you may get back less than you originally invested.

The fund can be exposed to different currencies. Movements in currency exchange rates may adversely affect the value of your investment.

Investing in emerging markets involves a greater risk of loss due to greater political, tax, economic, foreign exchange, liquidity and regulatory risks, among other factors. There may be difficulties in buying, selling, safekeeping or valuing investments in such countries.

In exceptional circumstances where assets cannot be fairly valued, or have to be sold at a large discount to raise cash, we may temporarily suspend the fund in the best interest of all investors.

The fund could lose money if a counterparty with which it does business becomes unwilling or unable to repay money owed to the fund.

Operational risks arising from a failure or delay in operational processes and systems, or the failure of a third party provider may affect the value of your investments. Where this results in compensation needing to be paid, this may be paid some time after the original loss is experienced.

Further details of the risks that apply to the fund can be found in the fund's Prospectus.

## It is also important to note that:

The fund invests mainly in company shares and is therefore likely to experience larger price fluctuations than funds that invest in bonds and/or cash.

# Fund facts

## M&G India Fund

Fund name	M&G India Fund
Fund manager:	Vikas Pershad
Launch date	28 October 2024
Fund size (mn):	£5m
Strategy size†:	\$1.6bn
Investment objective:	The fund aims to provide a higher total return (the combination of capital growth and income), net of the Ongoing Charges Figure, than that of the MSCI India Index over any five-year period.
Typical number of holdings:	50-80
Recommended holding period	5 years
Benchmark:*	MSCI India Index
Valuation currency:	Indian Rupee
Fund structure:	UK OEIC – UCITS
Pricing/dealing frequency:	Daily
Investment Manager	M&G Investment Management Limited
Sub-Investment Manager	M&G Investments (Singapore) PTE LTD






† Strategy size at 31 December 2024 and includes: one segregated mandate whose investment strategy is the same as, or substantially the same as, or underlie, the M&G India Fund.

\*The benchmark is a target which the fund seeks to outperform. The index has been chosen as the fund's benchmark as it best reflects the scope of the fund's investment policy. The benchmark is used solely to measure the Fund's performance and does not constrain the fund's portfolio construction. The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund. The fund's holdings may deviate significantly from the benchmark's constituents

Source: M&G, 31 December 2024

# M&G Asia Pacific Team




## Fund Managers

 <b>Carl Vine</b> Fund Manager 27 Mobility & Life Sciences	 <b>David Perrett</b> Fund Manager 33 Financials & Infrastructure	 <b>Vikas Pershad</b> Fund Manager 25 Healthcare & Tech	 <b>Jamie Zhou</b> Deputy Fund Manager 17 Consumer	 <b>Sabrina Gleeson</b> Deputy Fund Manager 8 IT & Business Services
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## Deputy President

 <b>Dr Ryohei Yanagi</b> Japan Corporate Engagement Consultant Japan Engagements
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## Investor Relations

 <b>Sunny Romo</b> Investment Director 18 Japan	 <b>George Rolls</b> Investment Specialist 10 Asia ex Japan	 <b>James Roberts</b> Associate Investment Specialist 9 Asia Pacific
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## Embedded Analysts

 <b>William Montgomery</b> Senior Analyst 26 Machines & Buildings	 <b>Daisuke Iijima</b> Senior Analyst 23 Corporate Improvement	 <b>John Wadle</b> Senior Analyst 33 Money	 <b>Deepika Mundra</b> Senior Analyst 17 India	 <b>Valentina Luo</b> Analyst 7 New Energy & New Media	 <b>Madalina Black</b> ESG 8 ESG
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## Dealers

 <b>Alexander Phillips</b> Head of Asia Trading 19 Macro	 <b>Joanne Ong</b> Senior Trader 28 Market Microstructure	 <b>Yu Cheng</b> Trader 7 Pan-Regional Trading	 <b>Corren Foo</b> Fund Manager Assistant 11 Fund Manager Assistant	 <b>Alisha Tahir</b> Fund Manager Assistant 4 Fund Manager Assistant
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- Based in London
- Based in Tokyo
- Based in Singapore
- Based in Mumbai
- Based in Hong Kong
- Years of investment experience

## Team AUM

Total AUM of USD 24.3bn as of 31 December 2024



# Investment philosophy

We are high conviction stock pickers with acute risk awareness

What you can expect:



Style agnostic stock picking alpha



Strong focus on risk pricing and portfolio construction



Long tenured Pan-Asian research program



Engagement oriented value-added shareholders

What not to expect:



Ambulance chasing themes



Macro play



Forecast driven decision making



Benchmark ignorance

# Why own the Indian equity market?


## Becoming broader, deeper & more innovative



Founder shareholders - **>50%**



Most listed companies of any market  
– **>6,000 in 2024**



IPO market accelerating – **717**  
companies in last 3 years vs US at **560**



GDP & sector breakdown  
changing



Modern India is  
transforming



Rapid urbanisation



Underpenetrated  
verticals

Samsung is 25% of MSCI Korea vs HDFC at 7.5% of MSCI India

# Why M&G for your Indian equity exposure?

## Style agnostic stock picking

Past performance is not a guide to future performance

### Portfolio today:

- Holdings: 57 vs 156 in benchmark
- Fund 99% deployed
- 29 names that are active bets of >100 bps overweight
- 12 names that are active bets of >100 bps underweight
- 8 names that are "neutral" i.e., within a range of +/- 40 bps
- 116 benchmark names are zero weights
- 17 off-benchmark names accounting for just under 20% of AUM
- 13 names = just over 50% of AUM

### Quarterly case study: Q4 2024 – what have we been doing?



- Q4 marked the first negative quarter since Q1 2023 with India falling c9%
- Benchmark had been driven higher by multiple sectors; Q4 was about the unwind in typically defensive consumer sectors
- We used the consumer rally in Q3 to take a contrarian view to the market: **60x was too much** to pay for earnings that were not growing & remained vulnerable to downgrades
- Q4: reduced name count and concentrated capital in conviction ideas
- Started new holding in Saregama



# Largest overweights/underweights

## M&G India Fund

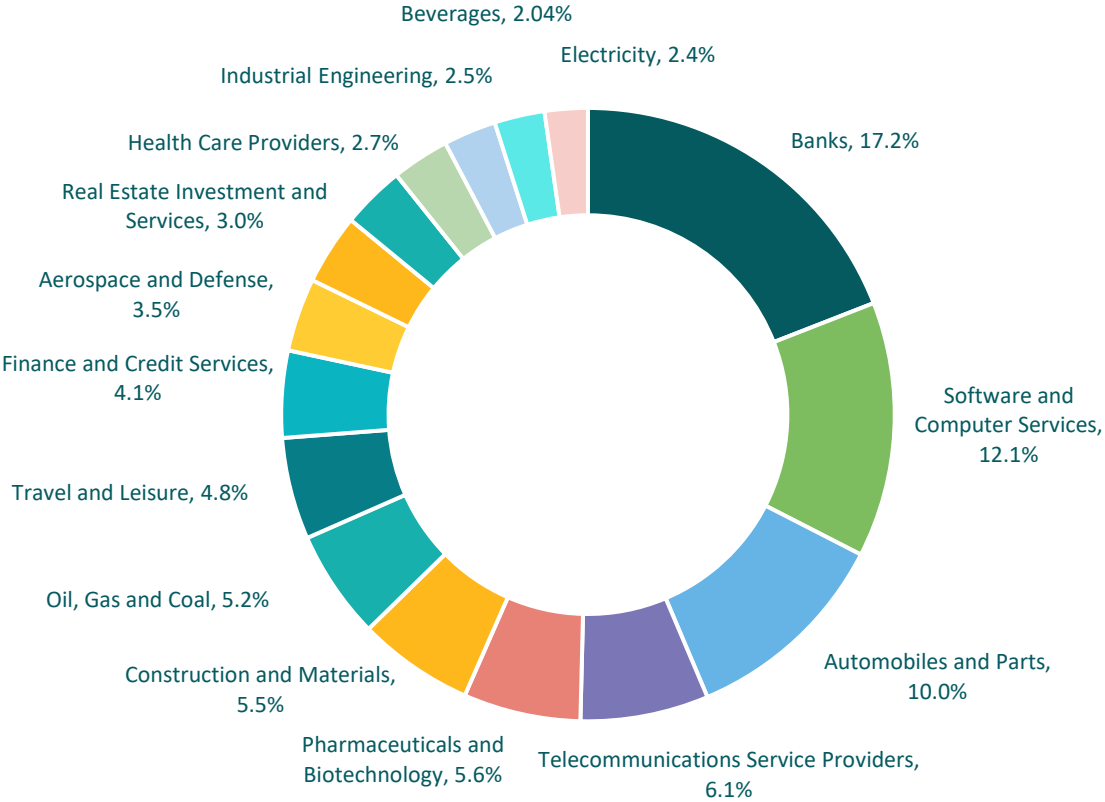
Overweight	Portfolio	MSCI India	Relative
APOLLO HOSPITALS ENTERPRISES	2.7%	0.6%	2.1%
INTERGLOBE AVIATION	2.6%	0.6%	1.9%
CARTRADE TECH	1.8%	0.0%	1.8%
ICICI BANK	7.0%	5.2%	1.8%
BLUE STAR	1.7%	0.0%	1.7%
INFOSYS	6.6%	4.9%	1.7%
ENDURANCE TECHNOLOGIES	1.6%	0.0%	1.6%
DLF	2.0%	0.5%	1.5%
AFCONS INFRASTRUCTURE	1.5%	0.0%	1.5%
SHRIRAM FINANCE	2.0%	0.7%	1.4%

Underweight	Portfolio	MSCI India	Relative
LARSEN AND TOUBRO	0.0%	1.9%	-1.9%
HINDUSTAN UNILEVER	0.0%	1.5%	-1.5%
KOTAK MAHINDRA BANK	0.0%	1.5%	-1.5%
BAJAJ FINANCE	0.2%	1.5%	-1.3%
HFDC BANK	6.6%	7.9%	-1.3%
NTPC	0.0%	1.2%	-1.2%
RELIANCE INDUSTRIES	4.7%	5.9%	-1.2%
TATA CONSULTANCY SERVICES	1.9%	3.0%	-1.1%
ITC	0.0%	1.1%	-1.1%
MARUTI SUZUKI	0.0%	1.1%	-1.1%

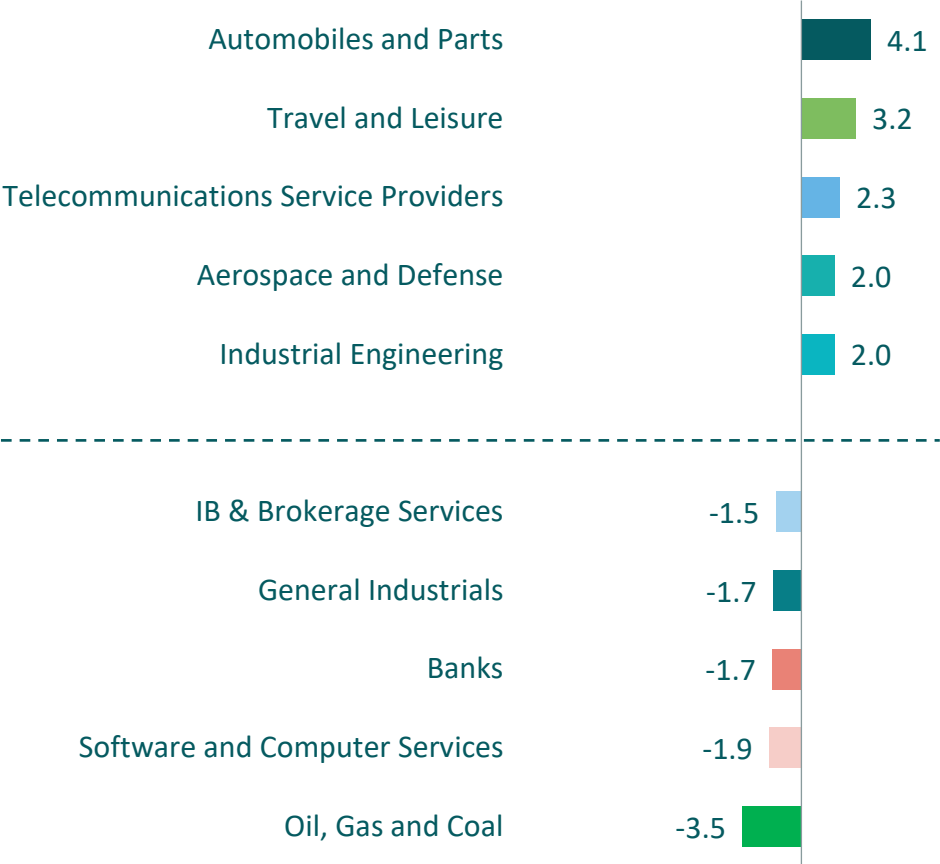
# Industry Breakdown

## M&G India Fund

Absolute fund weight, %



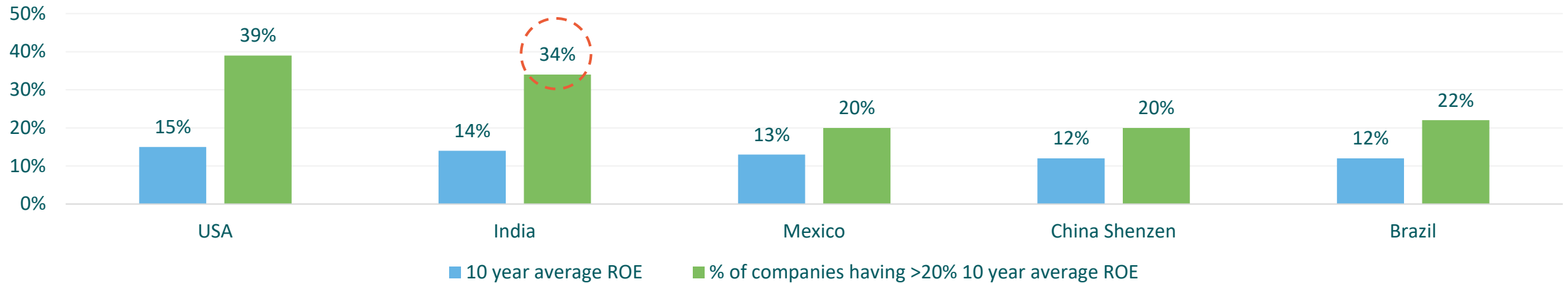
Relative to MSCI India, %



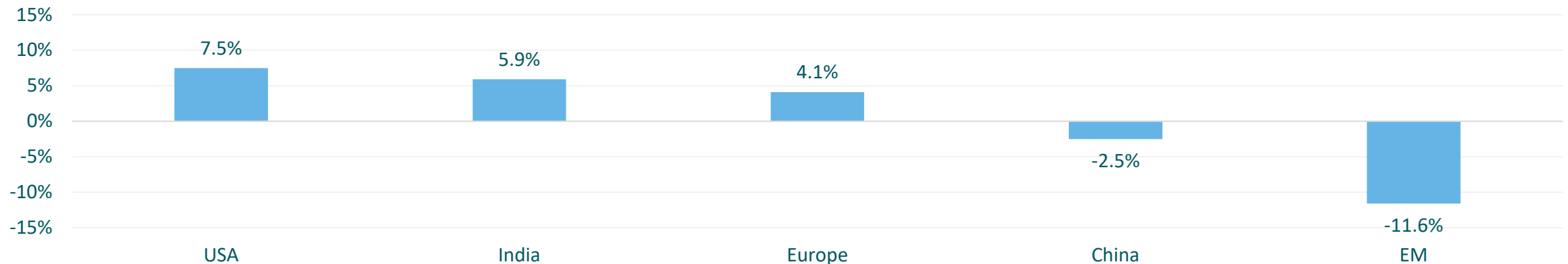
# Why India outperforms over the long term? It's not flows, GDP growth or the story...

Past performance is not a guide to future performance

Over one third of companies in India have recorded an ROE of more than 20% consistently



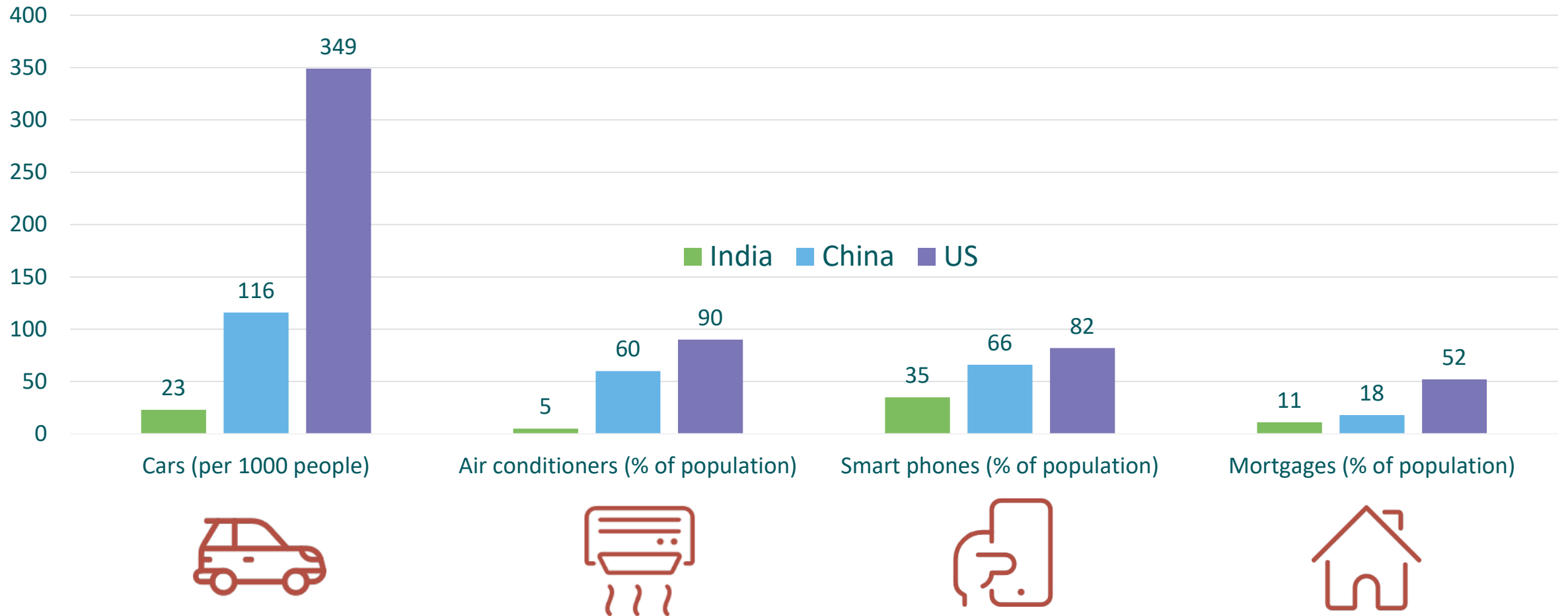
ROE adjusted for Cost of Equity – India does better than most peers



# Old story

## Large underpenetrated end markets

### Product and services penetration



# New Story

## Global Leaders across multiple sectors

Sectors	India Leader	Global Leader	Indian Leader 20 Year Average ROE	Global Leader 20 Year Average ROE	Indian Leader 20 Year EPS CAGR	Global Leader 20 Year EPS CAGR	Held on Fund ?	Long/short/neutral
Aerospace & Defence	Bharat Electronics Ltd	RTX Corp	21.2	16.4	14%	-1%	Yes	Long
Pharmaceuticals & Biotech	Sun Pharmaceuticals	Johnson & Johnson	20.7	24.9	16%	9%	Yes	Long
Banks	HDFC Bank Ltd	JPMorgan Chase & Co	17.9	11.1	21%	12%	Yes	Short
Automobiles	Tata Motors Ltd	Volkswagen AG	17.4	11.5	15%	15%	Yes	Long
IT - Software	Tata Consultancy	Microsoft Corp	43.5	33.5	18%	15%	Yes	Short
Ferrous Metals	Tata Steel Ltd	Glencore PLC	14.8	5.0	-1%	-6%	No	Short
Cement & Products	Ultratech Cement Ltd	CRH PLC	18.0	10.7	29%	4%	Yes	Long
Oil	ONGC	EXXON Mobil Corp	17.6	19.5	9%	4%	Yes	Neutral
Construction	Larsen & Toubro Ltd	China State Construction	19.5	18.4	10%	15%	No	Short
FMCG	Hindustan Unilever Ltd	Nestle SA-REG	69.3	19.7	11%	5%	No	Short
Healthcare Services	Apollo Hospitals	Tenet Healthcare Corp	10.5	-5.8	15%	4%	Yes	Long
Telecom Services	Bharti Airtel Ltd	Verizon Communications	11.1	30.0	12%	0%	Yes	Long
Power	NTPC Ltd	ENEL SPA	10.9	12.0	7%	-1%	No	Short
Insurance	Life Insurance Corp	PING AN Insurance Group	22.8	17.2	98%	15%	No	Short

# Saregama

## New holding



### Introduction

- Saregama (SARE.IN) is India's oldest music label and owns the rights to more than half of the music ever recorded in India
- The company now generates more than 70% revenue from music licensing
- We met the chair (Sanjiv Goenka) in Singapore in February 2024 which led to further work before we initiated a position in the last week of December 2024

### What changed?

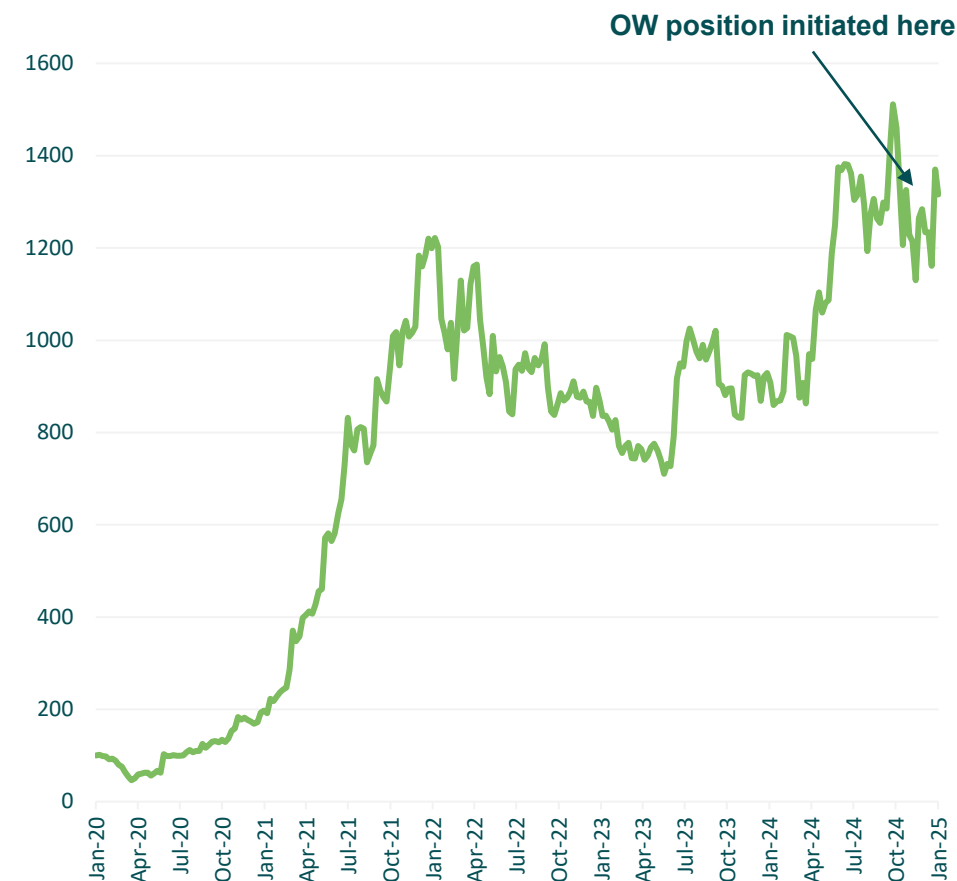
After meeting management in 2024 we could see that the group had renewed focus on:

1. Streamlined decision making
2. Profitable growth
3. Prudent capital allocation

Track record of implementation speaks for itself

### Thesis

- Growth rates for streaming in India are even higher than elsewhere globally and the market share is concentrating in the hands of leading players
- We have watched closely as Saregama has worked out new ways to monetise its IP library
- Company has coupled the higher topline growth with greater discipline on costs, which has driven profit margins higher by nearly 1,500 bps in the past 5 years (content write-off costs do remain high)
- Market capitalisation c\$1.2bn USD is dislocated from long-term intrinsic value



# Bajaj Auto

## Broadening horizons



### Introduction

- Bajaj Auto is a 75-year-old auto OEM for 2- and 3-wheelers. Sales are split 50:50 between India and motorcycle export markets.
- We had followed the stock since 2014 – it had been an underperformer from 2012-23, losing market share consistently until 2018, shortly after which COVID hit.
- Post-COVID, 2-wheelers were one of the late recovery categories; volumes continued to decline through 2022. Rural consumers were hit more adversely. Volumes were 2/3rds of 2019 still. A cyclical recovery was due and thus beaten-down, cash-rich 2-wheeler names were our focus.

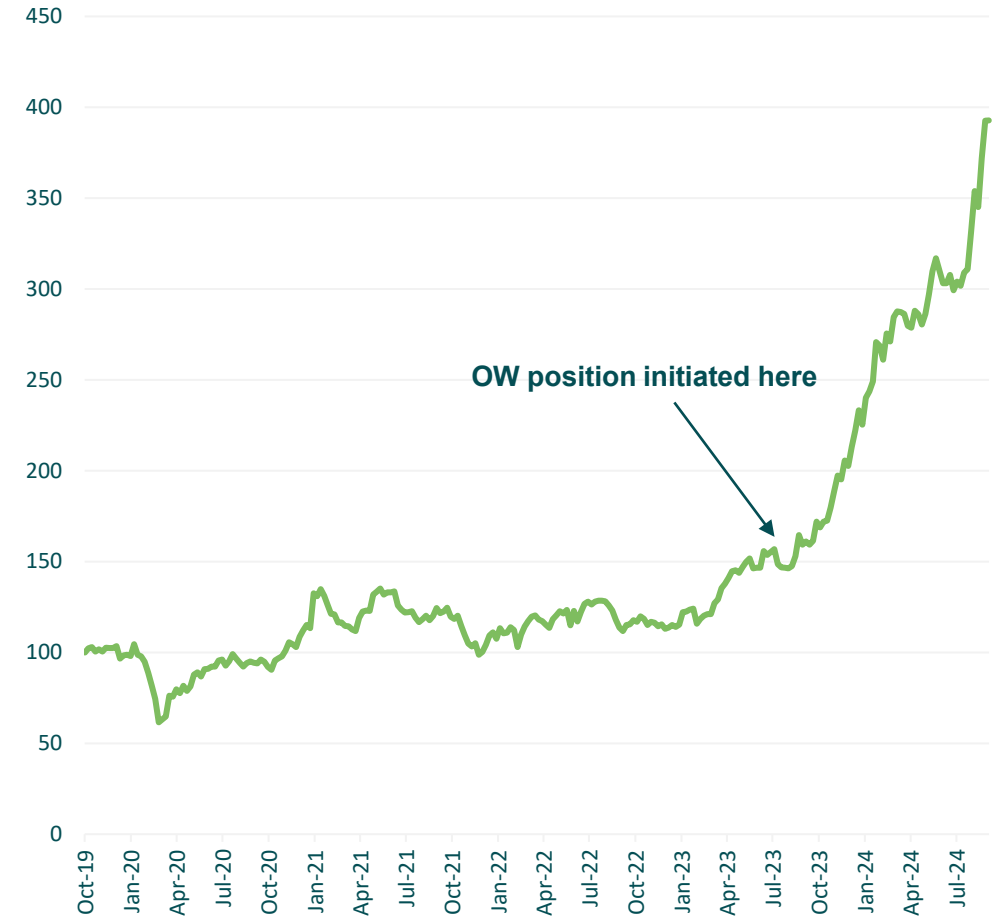
### What changed?

It was finally expanding its addressable markets:

1. E-scooter was launched; after decades of production pause (ICE) due to low margin
2. Bajaj has seen share gain in mid to premium bikes after trial and errors in the past; product pipeline was much more active
3. E-3-wheeler launched; which was super profitable
4. Partnership with Triumph for 300cc+ motorcycle for India and Exports

### Thesis

- We went OW in September 2023 and increased the position along the way
- The bet was that 2-wheeler industry volumes had to recover
- Bajaj had a better chance embracing the electrification trend
- Focus on premiumisation
- Exports were down meaningfully but with Bajaj being a leader, it would again benefit down the line



# Bharat Electronics

## Stock-picking meets geopolitics



### Introduction

- Bharat Electronics (BHE) is India's leading defence electronics manufacturer
- Core competencies are in the areas of radars, sonars, communication equipment; the company has also been able to scale its IP into electronic voting machines and offerings for smart cities
- We have invested in aerospace and defence companies globally for two decades, and the large and growing cluster of listed defence names in India drew our attention

### What changed?

Armed conflict in eastern Europe in 2022 led to an immediate re-prioritisation of India's "Make in India" initiatives in the defence sector, given high dependence on Russia for armaments and defence electronics; for BHE, this meant that

1. Order book growth accelerated
2. Market share increased
3. Export opportunities opened up for the first time
4. The working capital situation improved, as the government aimed to streamline payments

### Thesis

- We went OW in the summer of 2022, as we saw that above market earnings growth for years was available at sub-market multiples, and that this imbalance was on the verge of correcting
- In the summer of 2023, even after a near-doubling of the share price, we made BHE our largest active overweight – in the subsequent year, BHE shares doubled again as valuation multiples went from half the market to nearly double the market
- In the days after India's election results were released in early-June 2024, we reduced positioning to neutral





# Hindustan Unilever

## From the defence sector to a “defensive” sector



Hindustan Unilever Limited

### Introduction

- Hindustan Unilever (HUVR) is India’s largest FMCG company, and the largest emerging markets business for its parent, Unilever, in which M&G has been a shareholder since the 1930s
- The company has India’s broadest FMCG portfolio, from home care to personal care, and the deepest distribution network
- We first invested in HUVR shares in mid-2005; in INR terms, shares are up nearly 20x since then

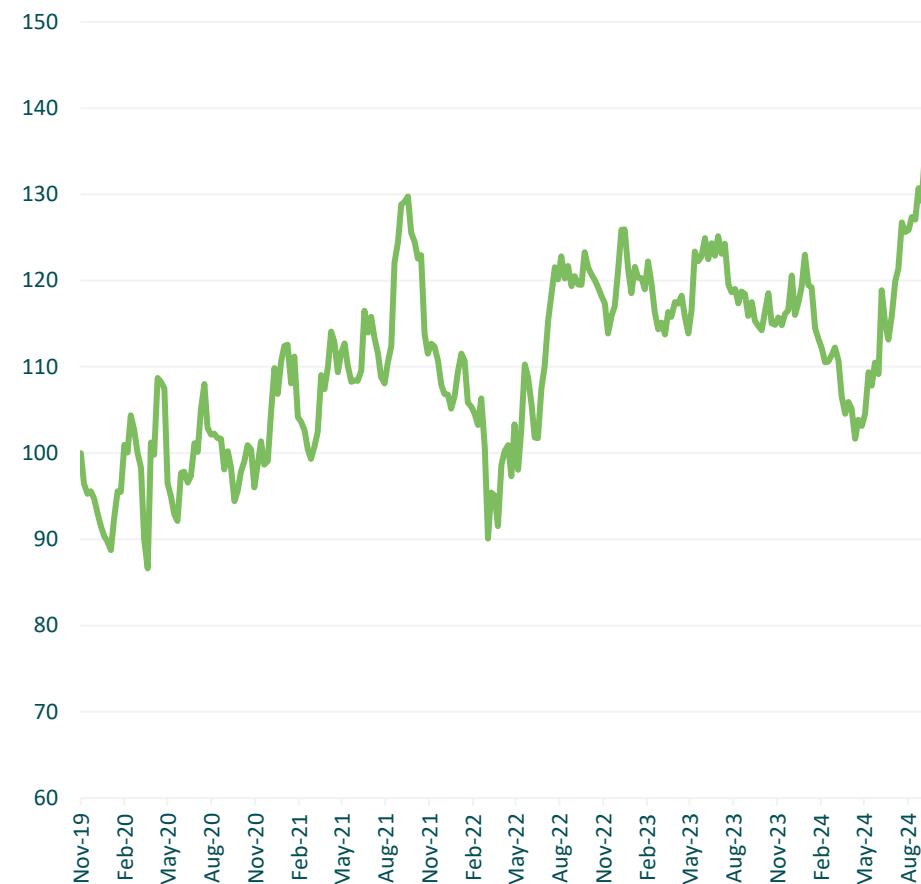
### What changed?

In recent years, growth has stagnated, yet valuation multiples remained ~2x those of the broader market

1. Volume growth slowed as competition encroached upon HUVR’s territory and income growth in rural areas was lacking
2. The company could not capture the premiumisation trend across all targeted categories
3. Input cost volatility and other cost pressures halted the EBITDA margin expansion of 1,000 bps from 2012 to 2022

### Thesis

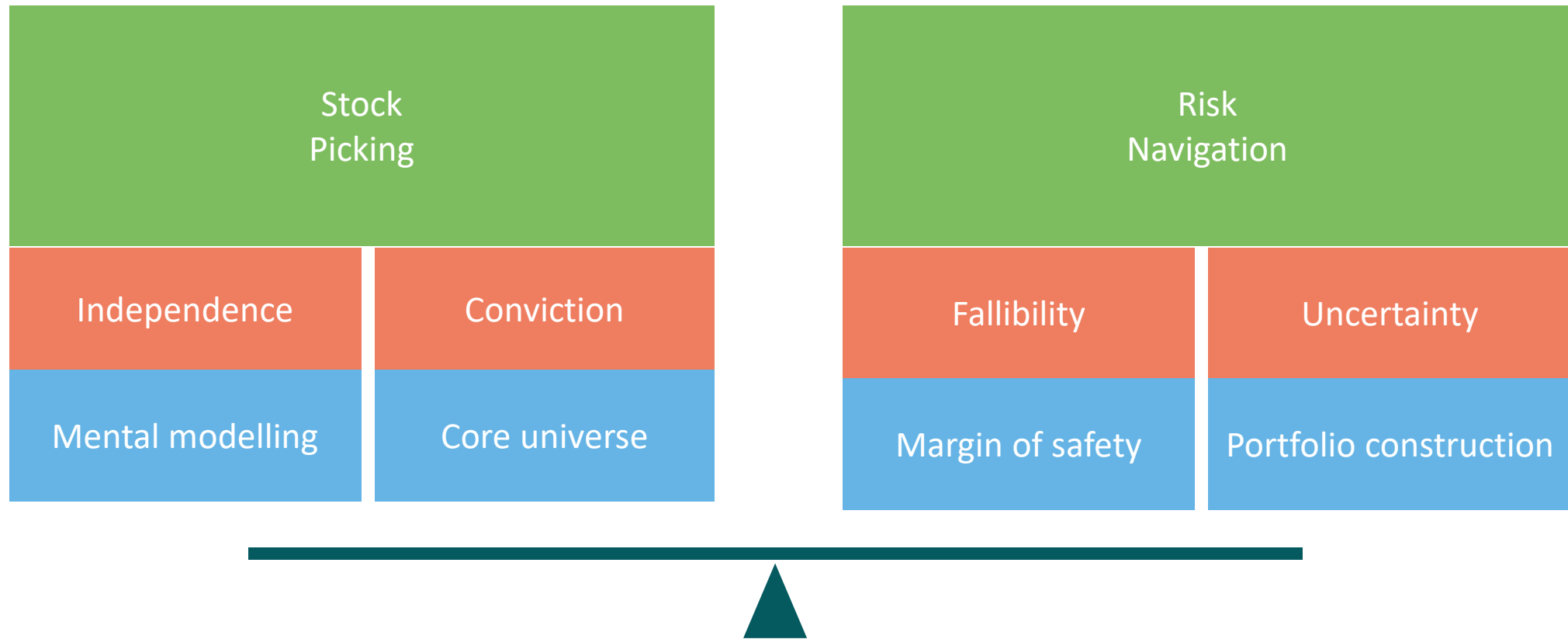
- After the election results were released in June 2024, FMCG companies, seen as “defensive” amidst volatility – and seen as beneficiaries of a shift in government spending toward rural citizens – saw their share prices rally
- Based on our research, no acceleration of volume growth – or a resumption of margin expansion trends – was in the offing
- Paying the 60x+ earnings multiple the market was demanding did not seem sensible to us and we made the position a zero weight in Q3 2024



 **M&G** Appendix  
Investments

# Investment programme

## Balancing stock picking and risk management



# Differentiated research programme

In-depth research that goes beyond financial modelling

*Seductive but flawed*

**Financial Modelling**

*Superior perspective about risk*

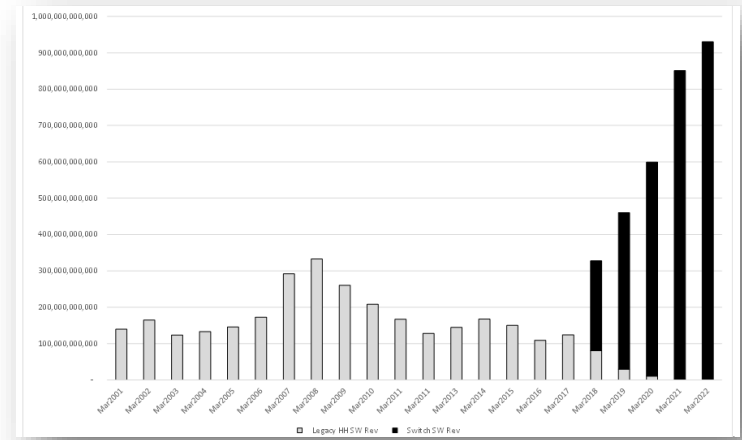
**Mental Modelling**

What companies say

What companies don't say

**Earnings table**

	22/3	23/3E			24/3E		25/3E	
	Actual	Old	New	Co's	Old	New	Old	New
Sales (¥bn)	1,695.3	1,700.7	1,616.7	1,600.0	1,405.3	1,438.5	1,590.0	1,614.0
Operating profits (¥bn)	592.8	605.7	570.9	500.0	504.3	511.4	496.7	497.9
% y-y	-7.5	2.2	-3.7	-15.6	-16.7	-10.4	-1.5	-2.6
EPS (¥)	4,046.7	3,618.9	3,589.9	2,898.0	3,042.1	3,080.7	2,997.4	3,001.7
P/E (x)	14.0	15.7	15.8	-	18.6	18.4	18.9	18.9
EV/EBITDA (x)	9.2	9.0	9.5	-	10.4	10.3	10.4	10.4
P/B (x)	3.2	3.0	3.1	-	2.8	2.9	2.6	2.7
Dividend yield (%)	3.6	3.5	3.5	-	2.9	3.0	2.9	2.9
ROE (%)	24.2	19.8	19.9	-	15.5	16.1	14.4	14.7
Net debt equity ratio (x)	Net Cash	Net Cash	Net Cash	-	Net Cash	Net Cash	Net Cash	Net Cash



Forecasts

Simulation

# Stock picking

## Preparation before opportunity

Conviction is more tenable when preparation precedes opportunity

### Core Universe



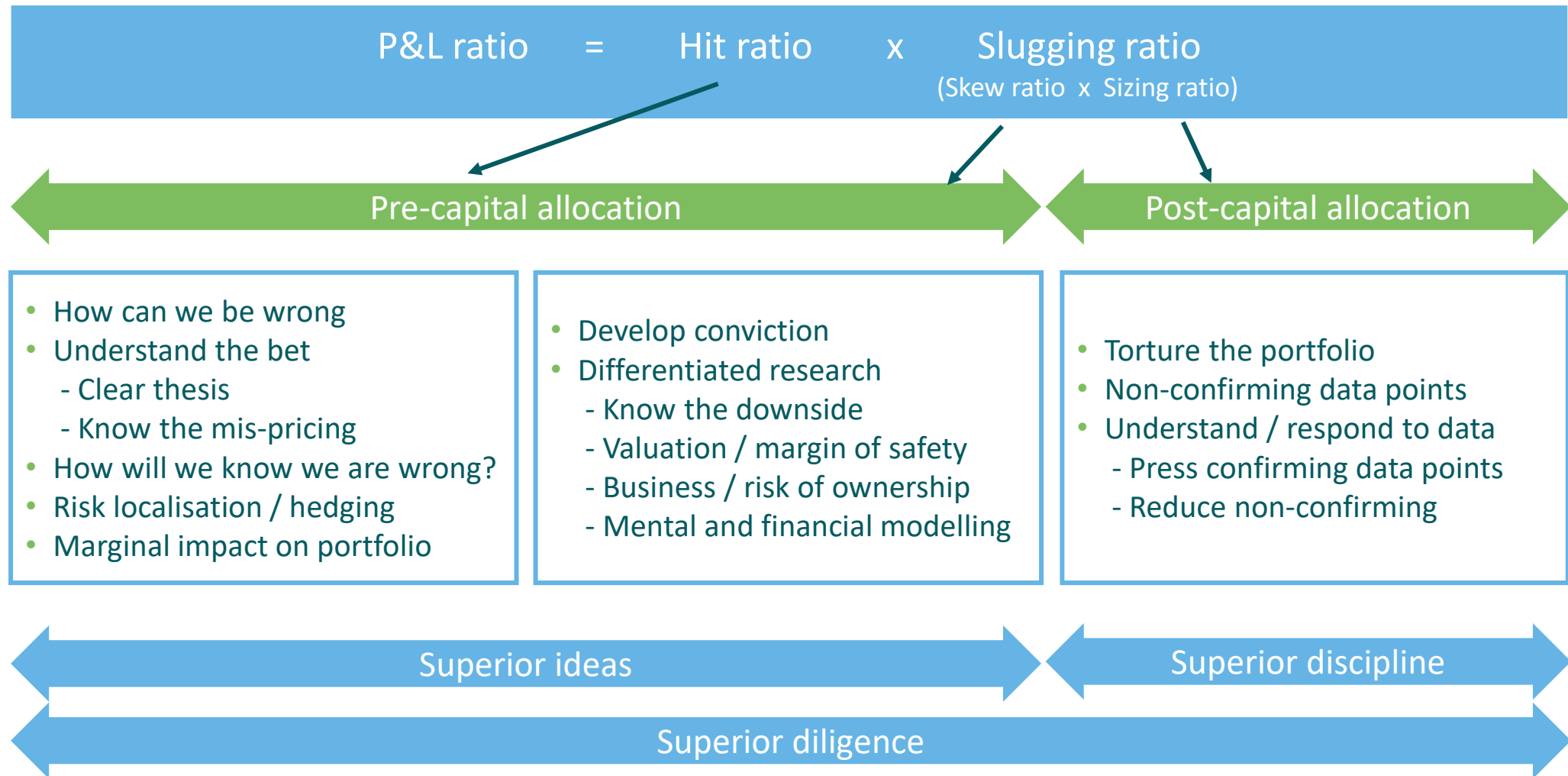
### Clusters

>60 sub industry clusters

Curated universe = Invest TIME in value added research

# Portfolio construction & risk management

## Target behaviours that improve portfolio outcomes





# Strategy performance & characteristics

# Portfolio management team gross performance

## Asian Team India strategy

Please note that performance shown in this slide is related to one segregated mandates whose investment strategy is the same as, or substantially the same as, or underlie, the M&G India Fund . Past performance is not a guide for future performance

USD	2024 %	2023 %	2022 %	FMT* %	Since Inception** %
India Life fund (gross)	12.85%	22.37%	-6.88%	17.38%	7.15%
MSCI India	12.38%	21.29%	-8.23%	16.06%	6.35%
Relative	+0.42%	+1.08%	+1.36%	+1.13%	+0.80%

USD	2024 %	2023 %	2022 %	FMT* %	Since Inception** %
India Life fund (gross) ex CGT***	15.25%	23.11%	-6.53%	20.87%	10.64%
MSCI India	12.38%	21.29%	-8.23%	16.06%	6.35%
Relative	+2.87%	+1.82%	+1.70%	+4.81%	+4.29%

For illustrative purposes only.

\*\*\*Since active cumulative cash drag is 3.49%. Performance is shown net of Capital Gains Tax provisions currently applied to the strategy portfolio. Tax rates and charges applicable to the M&G India Fund may differ.

Benchmarks shown are those of the two mandates referred in the above charts and are targets which the strategies seek to outperform. The index have been chosen as the fund's benchmark as they best reflect the scope of the strategies' investment policy. The benchmarks are used solely to measure the strategies' performance and does not constrain the strategies' portfolio construction.

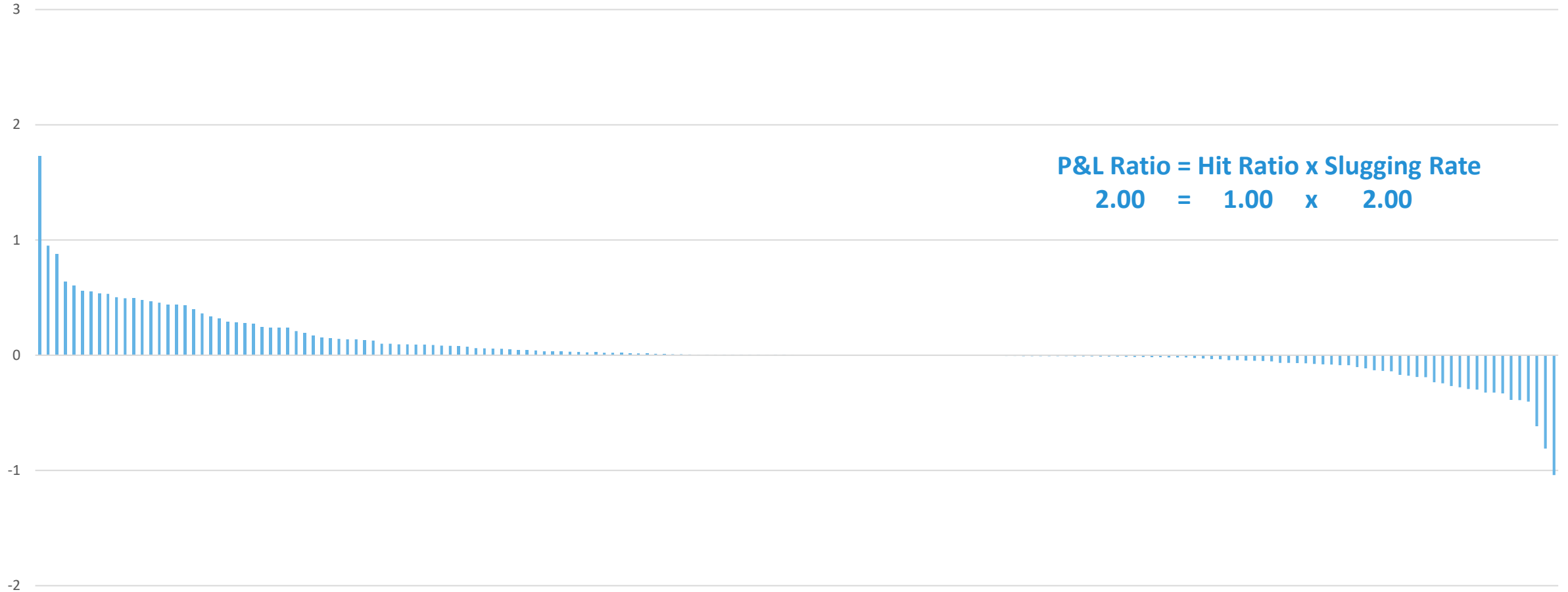
Both strategies are actively managed. The portfolio manager has complete freedom in choosing which investments to buy, hold and sell in the portfolios. The strategies holdings may deviate significantly from the benchmark's constituents.



# Performance breakdown

## India strategy performance attribution by holdings – since inception

Past performance is not a guide to future performance

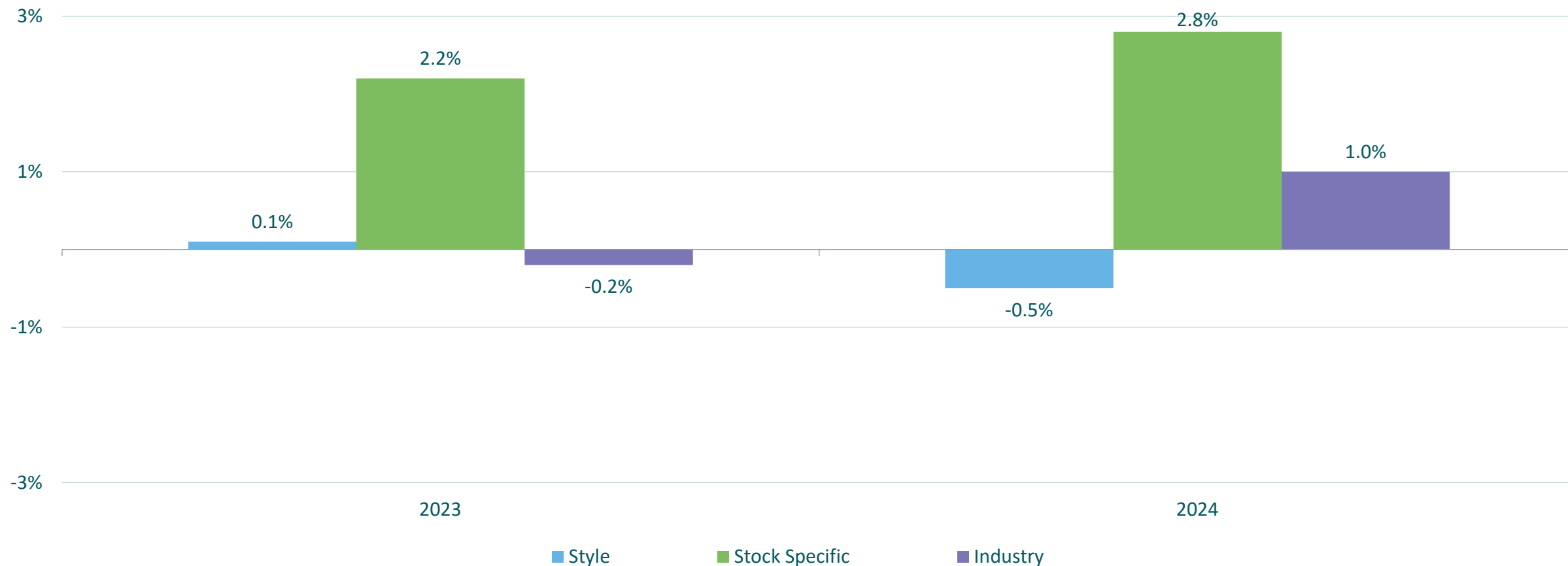


# Performance attribution

## M&G India Strategy

Past performance is not a guide to future performance

### Active return relative to MSCI India



# Stock level performance drivers

## M&G India Strategy – 12 months to 31 December 2024

Past performance is not a guide to future performance

### Top 10 Contributors

Stock name	Relative weight %	Contribution to performance %
CARTRADE TECH	0.97%	0.97%
BHARAT ELECTRONICS	1.29%	0.91%
PIRAMAL PHARMA	0.84%	0.62%
BLUE STAR	0.76%	0.51%
SAMVARDHANA MOTHERSON	1.47%	0.50%
NETWEB TECHNOLOGIES	0.73%	0.48%
COMPUTER AGE MANAGEMENT	0.60%	0.41%
INTERGLOBE AVIATION	1.38%	0.38%
SUN PHARMACEUTICAL INDUSTRIES	0.94%	0.36%
APOLLO HOSPITALS ENTERPRISE	1.67%	0.30%
<b>Total</b>		<b>+5.44</b>

### Bottom 10 Contributors

Stock name	Relative Weight %	Contribution to performance %
HDFC BANK	1.55%	-0.53%
TATA MOTORS	0.56%	-0.47%
LARSEN AND TOUBRO	0.68%	-0.46%
BANDHAN BANK	0.19%	-0.36%
TATA CONSUMER PRODUCTS	0.28%	-0.30%
JUNIPER HOTELS	0.71%	-0.29%
CELLO WORLD	0.68%	-0.29%
GODREJ CONSUMER PRODUCTS	1.51%	-0.25%
AXIS BANK	1.25%	-0.25%
CUMMINS INDIA	0.07%	-0.24%
<b>Total</b>		<b>-3.44</b>

The information provided should not be considered a recommendation to purchase or sell any particular security

# Stock level performance drivers

## M&G India Strategy – 1 month to 31 December 2024

Past performance is not a guide to future performance

### Top 10 Contributors

Stock name	Relative weight %	Contribution to performance %
BLUE STAR	1.7	0.28%
CARTRADE TECH	1.8	0.19%
APOLLO HOSPITALS ENTERPRISE	2.1	0.17%
AFCONS INFRASTRUCTURE	1.5	0.15%
INTERGLOBE AVIATION	1.9	0.11%
ELECON ENGINEERING CO	1.2	0.11%
HINDUSTAN UNILEVER*	-1.5	0.08%
NTPC*	-1.2	0.08%
SUN PHARMACEUTICAL INDUSTRIES	1.0	0.07%
WESTLIFE FOODWORLD	1.0	0.07%
<b>Total</b>		<b>+1.31</b>

### Bottom 10 Contributors

Stock name	Relative Weight %	Contribution to performance %
GODREJ CONSUMER PRODUCTS	1.2	-0.16%
ENDURANCE TECHNOLOGIES	1.6	-0.11%
MAX HEALTHCARE INSTITUTE*	-0.7	-0.10%
DR REDDYS LABORATORIES*	-0.6	-0.09%
HINDALCO INDUSTRIES	1.2	-0.08%
MRS BECTORS FOOD SPECIALITIES	0.8	-0.07%
BAJAJ FINANCE	-1.3	-0.07%
AXIS BANK	1.3	-0.06%
POWER FINANCE CORPORATION	0.8	-0.06%
POWER GRID CORPORATION OF INDIA	1.2	-0.06%
<b>Total</b>		<b>-0.85</b>

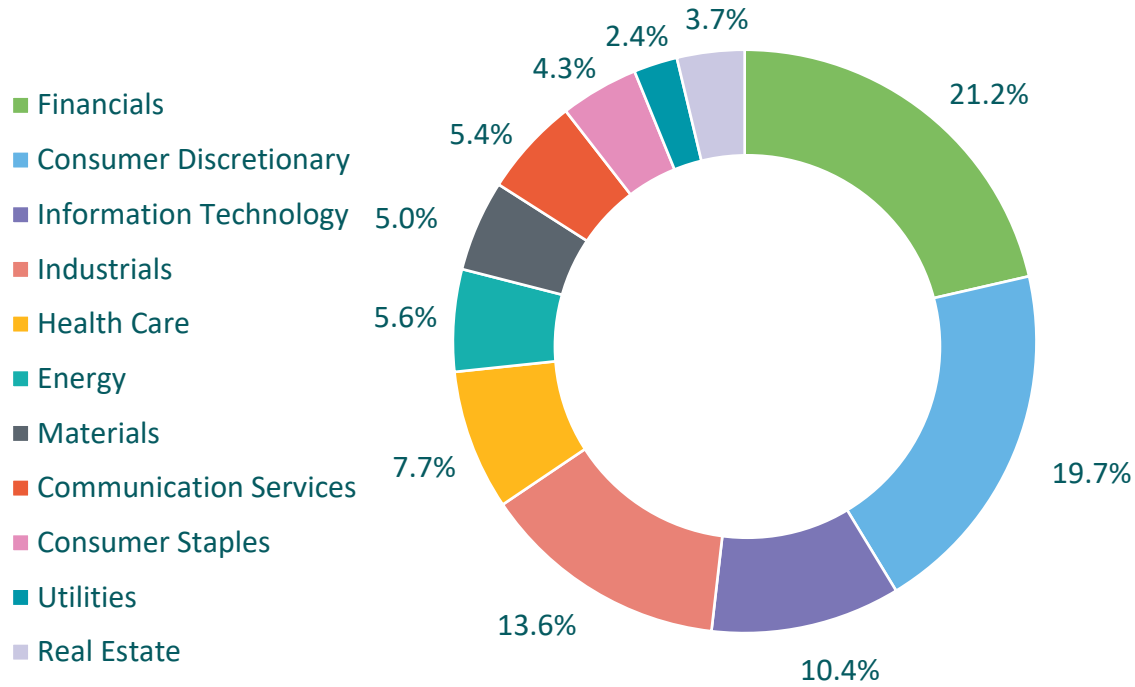
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 **M&G** Positioning  
Investments

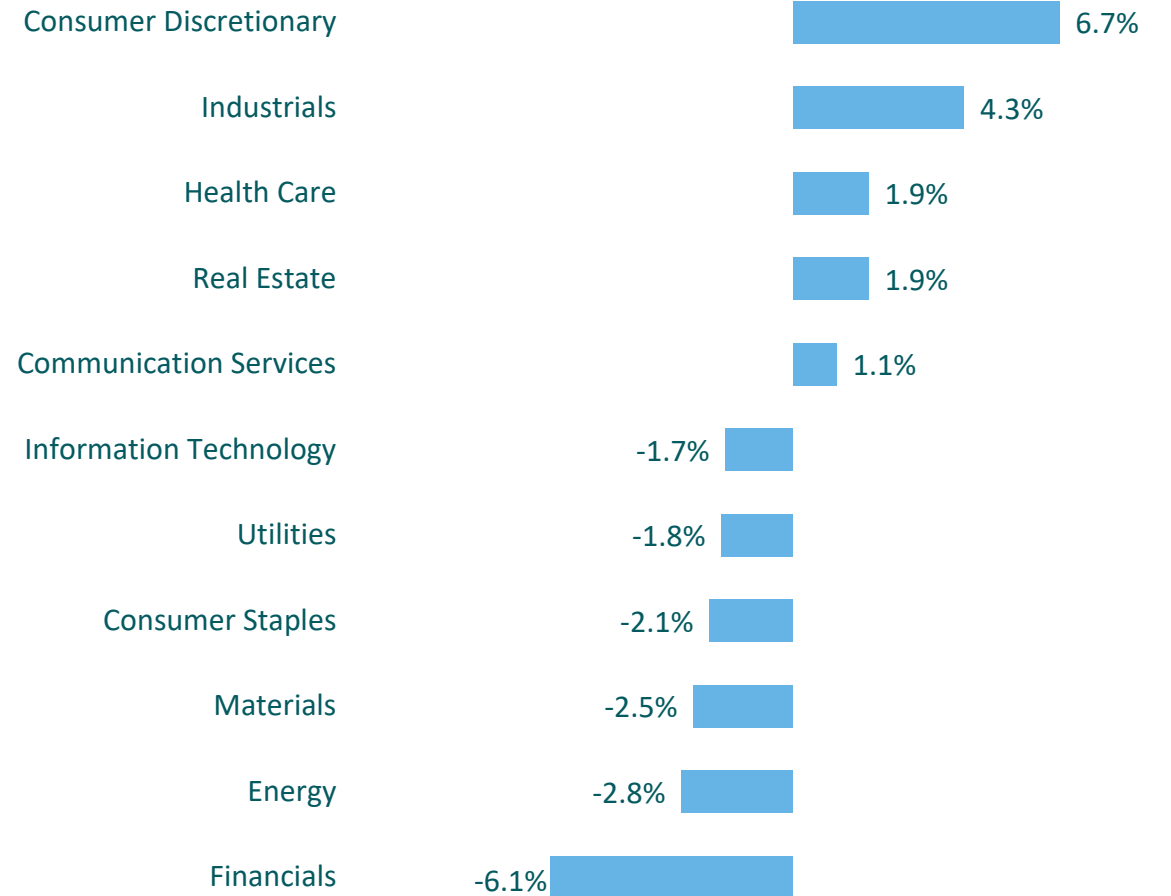
# Sector breakdown

## M&G India Fund

Absolute weighting %



Relative to Index %



# Capitalisation split

## M&G India Fund

	Fund %	Index %	Relative %
Mega Cap (> \$50bn)	33.7	38.5	-4.8
Large Cap (\$10 - \$50bn)	44.7	51.7	-7.0
Mid Cap (\$2 - \$10bn)	14.3	9.8	4.4
Small Cap (< \$2bn)	6.4	0.0	6.4
Cash	0.9	0.0	0.9

# Transactions

## M&G India Strategy

2024	Buys	Sells
January	Suzlon Energy, Godrej Propertoes, DLF, Macrotech Developers, Polycab India	Jio Financial Services, Ideaforge Technology, UPL
February	Hindustan Petroleum, Bharat Petroleum, Endurance Technologies, Juniper Hotels, One Comms	Cummins India, Tata Technologies, Amber Enterprises
March	Netweb Technologies, Tata Consumer Products	APL Apollo Tubes
April		Bandhan Bank, Aditya Birla Capital, JSW Steel, One Comms, Godrej Properties, HDFC Life
May	Cello World	Sona BLW Precision Forgings, Avenue Supermarkets, Tube Investments of India, Wipro, Nestle India, Maruti Suzuki
June	Computer Age Mgmt Services, TBO TEK, Blue Star, Sundram Fasteners	Bajaj Finserv, SBI Life
July	Emcure Pharma, Indus Towers, Tata Communications	Hindustan Petroleum, Asian Paints
August		
September	JSW Steel, Elecon Engineering, MRS Bectors Food Specialities, Bharat Forge, Zydus Life Sciences	Max Healthcare, Adani Enterprises, Bharat Petroleum, Larsen & Toubro, Hindustan Unilever
October	Waaree Energies, Phoenix Mills, Reliance Industries	Tata Steel, Ashok Leyland, HDFC Asset Management, Macrotech Developers, Adani Power, Ambuja Cements, TVS Motor, Cipla, Adani Green Energy
November	Afcons Infrastructure	Reliance Industries
December	Skipper, Saregama, Udaan, Sai Life Sciences, Cholamandalam Finance	Oil & Natural Gas, Netweb Technologies, Unicommerce e-Solutions, Bajaj Finance, Titan, Adani Ports, Indus Towers



 **M&G** Team  
Investments

# Vikas Pershad

## Biography



- Vikas joined M&G in 2019 as a Fund Manager in the Asia Pacific team, having previously worked for Port Meadow Capital Management.
- Prior to that, Vikas was a Portfolio Manager in UBS O'Connor, most recently in Hong Kong, and previously Chicago.
- Before this, Vikas held various fund manager and analyst roles in Veda Investment, Hound Partners, TPG-Axon Capital, and Madison Dearborn Partners, based in Hong Kong and United States.
- He started his career as an Analyst with Merrill Lynch & Co within the Mergers and Acquisitions Group.
- Vikas graduated from the University of Virginia with a Bachelor of Arts in 1999 (Echols Scholar) and also holds a Master of Public Policy from Harvard University, Kennedy School of Government.
- Vikas is a member of the Global Development Council of Harvard University's Center for International Development

# Deepika Mundra

## Biography



- Deepika joined M&G as a senior analyst based in Mumbai in September 2023.
- Prior to this she had spent her entire 16-year career at JP Morgan analysing Indian equities. During this tenure she covered a range of sectors including power and infrastructure, logistics, hospitality, financial services, and autos.
- In recent years, she was among the firm's top recipients of votes from clients in the annual Institutional Investor survey.
- Deepika graduated with a Bachelor of Management Studies in 2005 from the University of Mumbai and followed this with an MBA from NMIMS, graduating in 2007.

 **M&G**  
Investments

Engagement

## Our approach to value-added shareholdership

### The servant leadership model

Servant leadership:

“In order to lead, you must serve”

Actively engage for reform where we see value being trapped

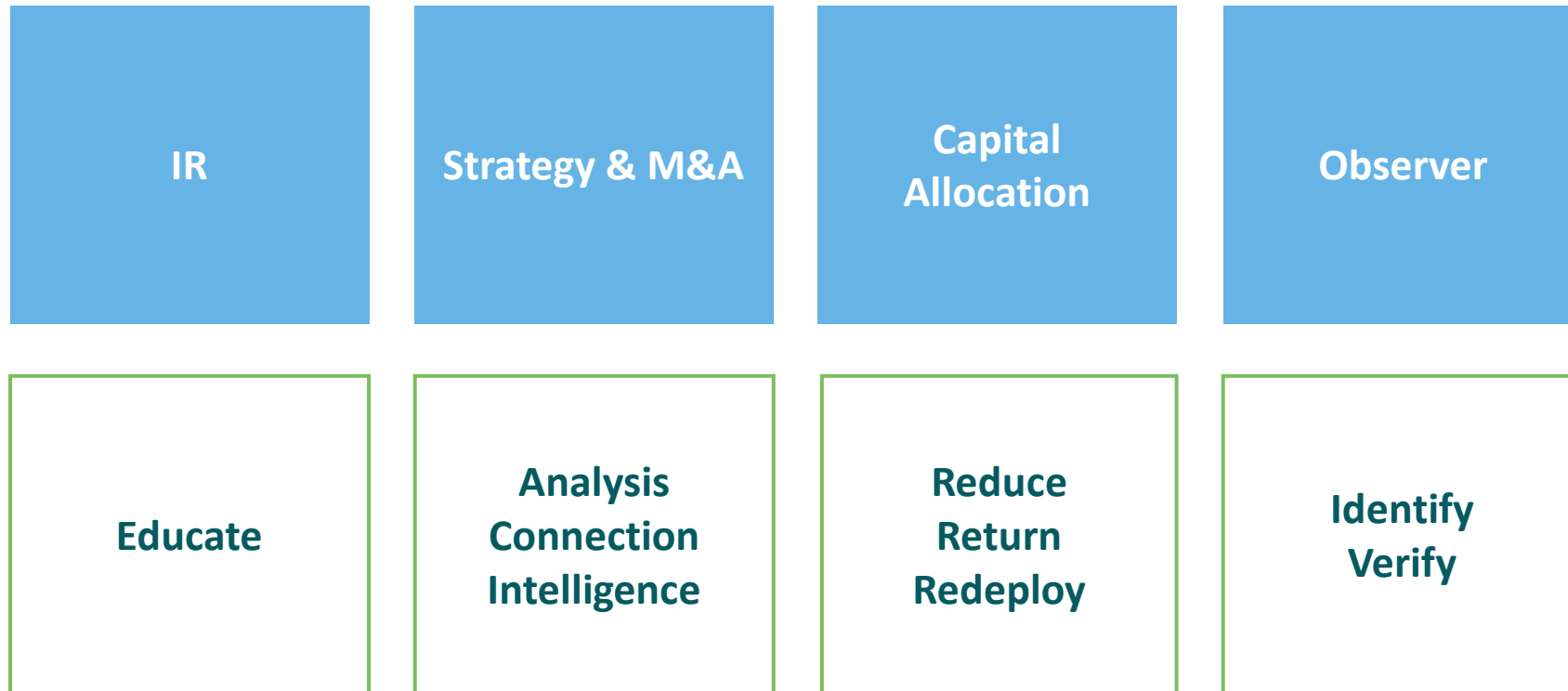
# Research process: think like business owners

Well placed to serve companies we own



# Engagement approach

## Four channels to drive returns





# The India Opportunity



# A long-term strategic opportunity



Proven track record of  
value creation



Scale of opportunity



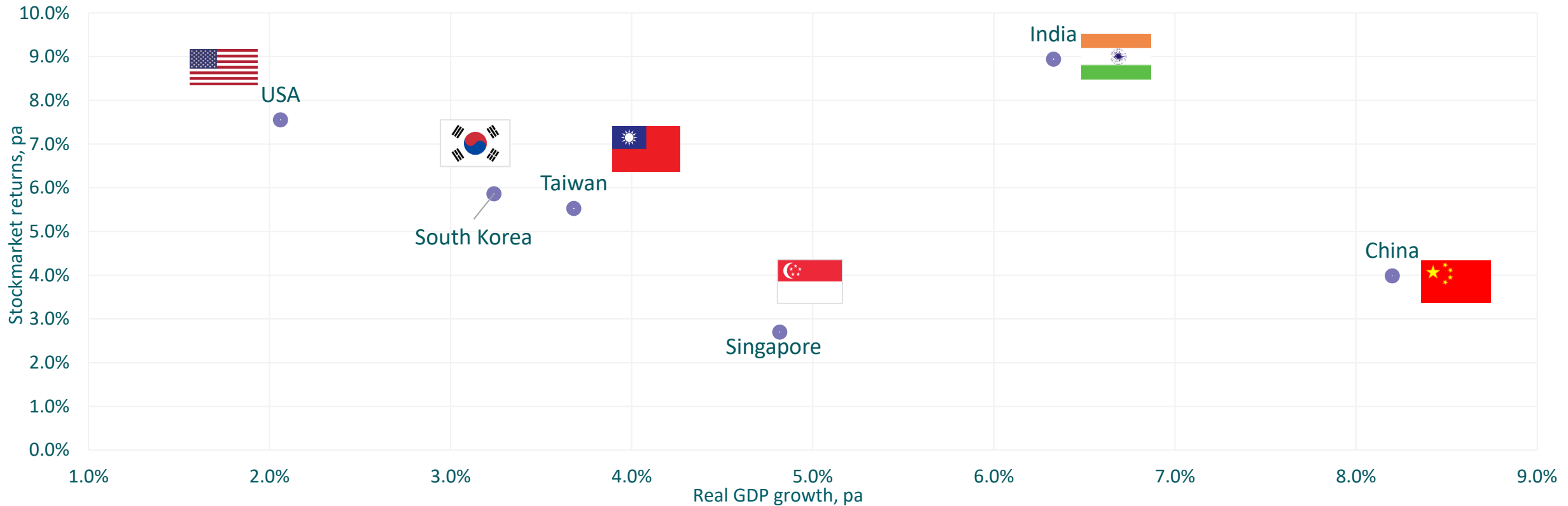
Runway for growth: how modern  
India is developing

# Proven track record of value creation

## Value creation, not economic growth drives markets

Past performance is not a guide to future performance

### Real GDP growth and annualised returns\* (2003 – 2023)

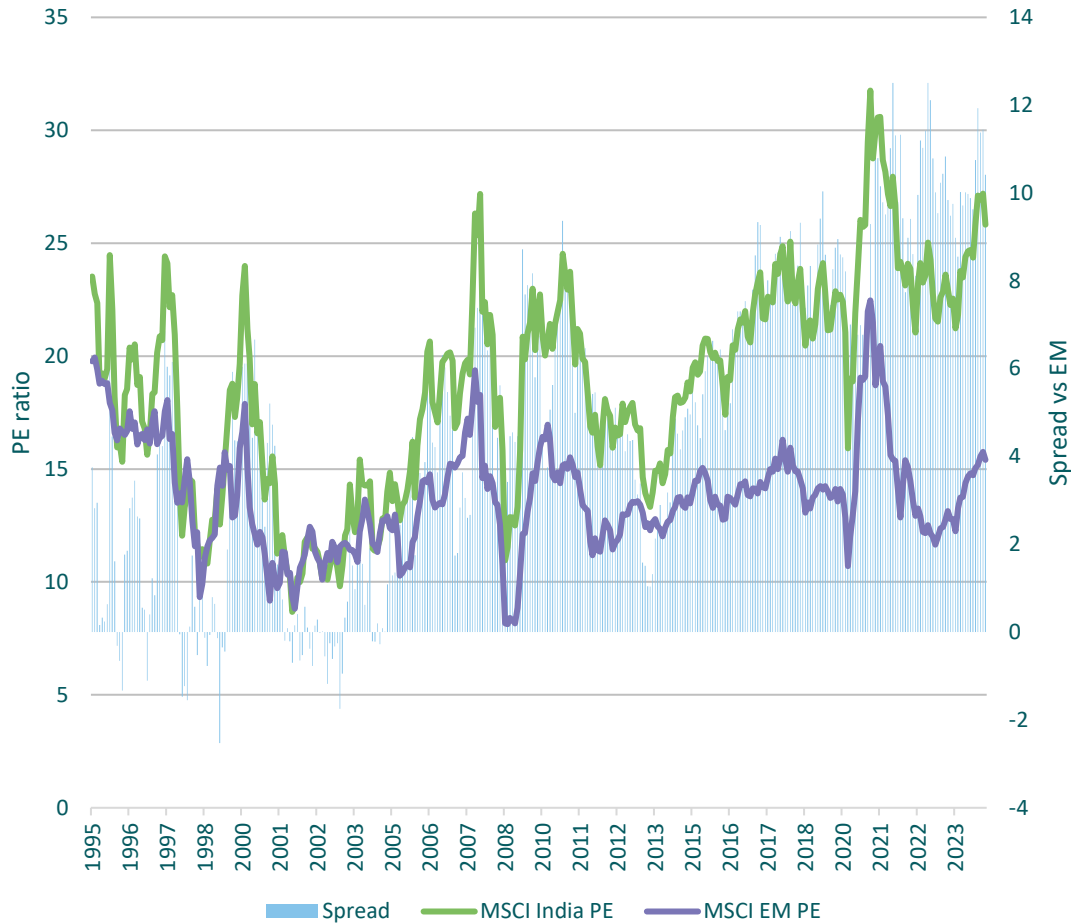


India has proven it can create value during periods of high GDP growth

# Proven track record of value creation

## Market has been consistently “priced” but not expensive

Past performance is not a guide to future performance



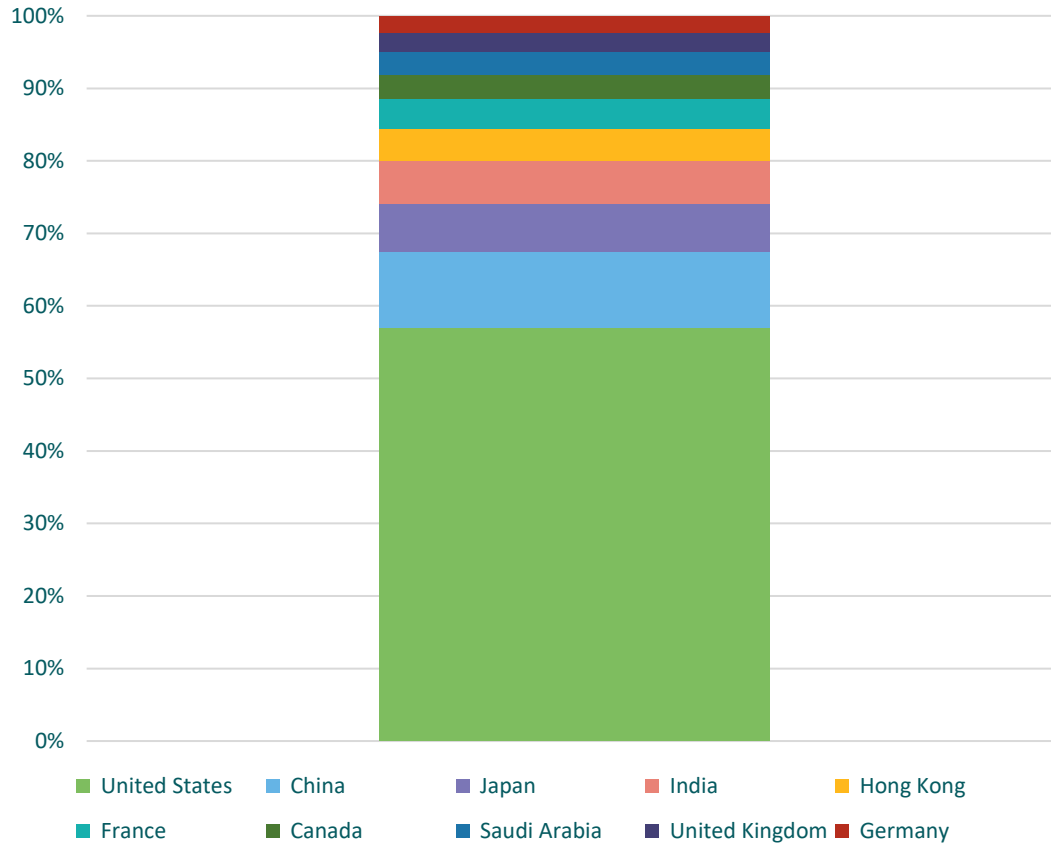
	Price return			Relative		Starting P/E multiple		
	MSCI India performance	MSCI EM performance	S&P 500 performance	vs. EM	vs. US	India	EM	US
YTD from 31/12/2023	17.0%	12.8%	19.2%	4.2%	-2.2%	23.7x	13.7x	25.9x
1 year from 31/12/2022	22.3%	7.2%	24.1%	15.1%	-1.7%	24.9x	12.1x	20.2x
3 years from 31/12/2020	39.6%	-18.3%	28.8%	57.9%	10.8%	31.7x	22.4x	33.9x
5 years from 31/12/2018	69.2%	7.4%	102.9%	61.8%	-33.7%	21.5x	12.2x	18.6x
10 years from 31/12/2013	128.3%	2.9%	160.2%	125.4%	-31.9%	15.2x	12.3x	19.8x
15 years from 31/12/2008	293.0%	84.9%	449.4%	208.1%	-156.4%	12.8x	8.4x	11.7x
25 years from 31/12/1998	1085.3%	242.7%	289.0%	842.7%	796.3%	11.7x	11.8x	27.9x

Thrashed EM and beaten S&P 500 over certain time periods

# Scale of opportunity

## Growing stock market

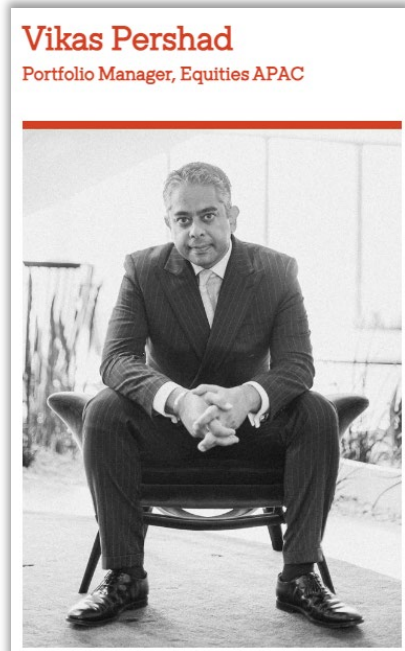
Fourth largest stock market in the world today – >6% of top 10:



	Percentage of top 10 by market cap	% of GDP	Number of companies
United States	56.99%	194.5	4,642
China	10.43%	65.1	5,346
Japan	6.59%	146.2	3,865
India	6.02%	140.1	6,451
Hong Kong	4.34%	1262.6	2,414
France	4.11%	84.9	457
Canada	3.45%	160.7	3,534
Saudi Arabia	3.03%	347	269
United Kingdom	2.73%	100	1,646
Germany	2.30%	60	429

# Our team in the media

## We cannot afford to ignore India



### India closes in on China as largest emerging market

Rise to almost a fifth of global stock benchmark quandary for fund managers concerned at high Indian valuations

India has been among the best-performing markets in the world in local currency terms and kept pace with US markets in dollar terms in recent decades.

It has also been the world's best market for so-called "multi-baggers" or stocks that have risen at least 10-fold, according to Vikas Pershad, a portfolio manager at M&G Investments.

"One of the least relevant financial indicators anywhere, but especially in India, is the one-year forward price-to-earnings ratio," Pershad said. "This is why, for 20 years, investors have missed out on returns in India."

### THE ECONOMIC TIMES

We have stopped calling India an emerging market. It has emerged: Vikas Pershad, M&G Investment

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