PGIM India Mutual Fund

MUTUAL FUNDS Sahi Hai

Automatic Asset Allocation is my Wealth Creation Mantra.

Invest in

PGIM India Balanced Advantage Fund

(An open-ended dynamic asset allocation fund)

Here is a fund that looks after your wealth for you. It monitors your investments and allocates your assets automatically between equity and debt, basis market valuations. So that you can spare yourself from the hassle of timing the market.

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PGIM India Balanced Advantage Fund

The fund dynamically manages the asset allocation across equity and debt based on the valuations of the equity markets so that the investors can buy low and sell high in the equity markets for long term wealth creation. This fund is for

- Those who, while young with years ahead of them, still do not want to take a conventional approach.
- Investors who prefer to be smart about dynamically managing their investments to optimise their returns.
- Investors looking for a Tax Efficient Asset Allocation solution.

How does the model work ?

The model determines the equity allocation based on divergence of current (average of last 20 days) P/E of Nifty 500 Index with respect to its long-term average. The model uses average of 15 year rolling P/E of Nifty 500 Index as a Long Term P/E. There are predefined bands for equity allocation based on the divergence of current P/E w.r.t average of Long term P/E of Nifty 500 Index. The model has a floor of min 30% exposure to directional equity.

In simple terms, the model works as follows:

When the Equity Market is undervalued : Current P/E lower than Long Term Average P/E	The model recommends incrementally increasing allocation to equities based on the defined bands
When the Equity Market is overvalued: Current P/E higher than Long Term Average P/E	The model recommends incrementally increasing allocation to debt based on the defined bands

Details as on January 31, 2024	
Long - term (15 year) Average P/E of Nifty 500	22.63
Last 20 Days Average of Nifty 500 P/E	24.45
P/E Variation	8%
Applicable P/E Variation Table	Rising
Applicable P/E Variation Band	Between 1% and 10%
Portfolio action for the month	Maintains existing equity exposure
Directional Equity Allocation	71.51%

Variation* from Long Term average P/E	Rising Variation***
Less than - 20%	Directional equity exposure 100%
Between -20% and -11%	Maintains existing equity exposure plus switches 50% of debt to equity for every monthly observation
Between -10% and 0%	Maintains existing equity exposure plus switches 10% of debt to equity for every monthly observation
Between 1% and 10%	Maintains existing equity exposure
Between 11% and 20%	Maintains existing equity exposure
Between 21% and 30%	Maintains existing equity exposure
Between 31% and 40%	Shifts 50% money from equity to debt for every monthly observation **
Above 40%	Directional equity exposure 30%

Variation* from Long Term average P/E	Falling Variation***
Above 40%	Directional equity exposure 30%
Between 31% and 40%	Shifts 50% money from equity to debt for every monthly observation **
Between 21% and 30%	Directional equity exposure 50%
Between 11% and 20%	Directional equity exposure 50%
Between 1% and 10%	Directional equity exposure 65%
Between -10% and 0%	Maintains existing equity exposure plus switches 10% of debt to equity for every monthly observation
Between -20% and -11%	Maintains existing equity exposure plus switches 50% of debt to equity for every monthly observation
Less than - 20%	Directional equity exposure 100%

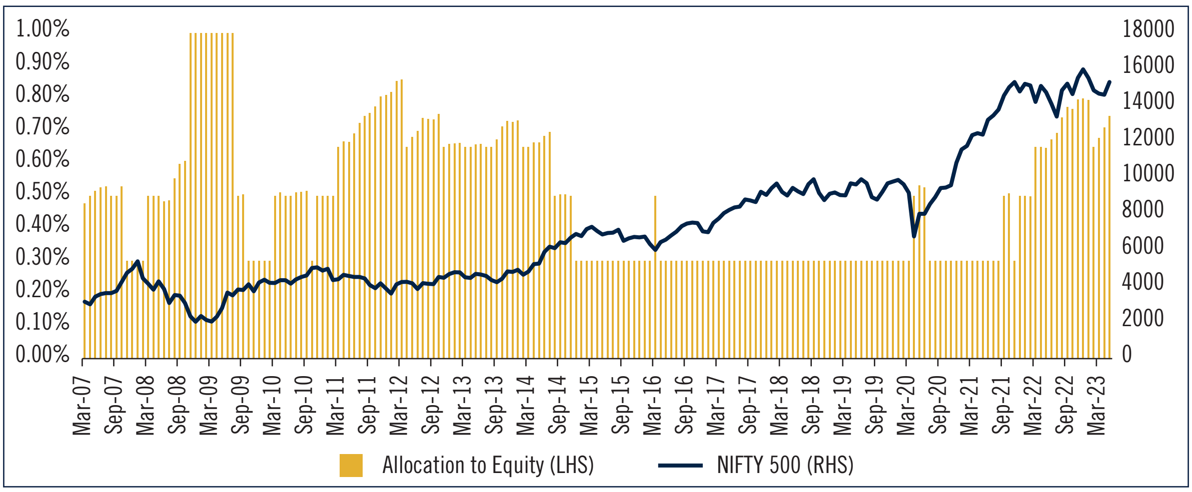
** P/E variation is defined as the deviation of trailing P/E of Nifty 500 Index (observed on a 20 days moving average basis) from 15 year rolling average P/E of Nifty 500 Index.*

*** This will be subject to the overall equity floor of 30%.*

**** Fund will have at least 65% exposure to equity and equity related instruments at all points of time. Within this, minimum directional exposure to Equity will not go below 30% and the balance exposure will be invested in derivatives.*

The rising and falling variation would be defined as a sequential rise or fall in the variation on a month on month basis that is, the variation for a particular month end would be compared to the variation of the previous month end to ascertain the trend.

Model Equity Allocation versus NIFTY 500 levels



Data as on March 2023

Model efficacy in various phases of market

Bull Phase	Absolute Returns during the Bull Phase		3-Year Absolute Returns post Bull Phase		3-Year CAGR post Bull Phase	
	Nifty 500	Model	Nifty 500	Model	Nifty 500	Model
January 2007 – January 2008	32%	24%	2%	38%	1%	11%
March 2009 – December 2010	134%	112%	-1%	12%	0%	4%
May 2014 – March 2015	33%	24%	28%	28%	8%	9%

Bear Phase	Absolute Return during the Bear Phase		3-Year Absolute Returns post Bear Phase		3-Year CAGR post Bear Phase	
	Nifty 500	Model	Nifty 500	Model	Nifty 500	Model
February 2008 - December 2008	-47%	-26%	57%	62%	16%	17%
January 2011 - December 2011	-27%	-17%	88%	71%	23%	20%
April 2015 - February 2016	-16%	0%	54%	35%	15%	11%

Flat Market	Absolute Return During During Flat Markets		3-Year Absolute Returns post Flat Phase		3-Year CAGR post Flat Phase	
	Nifty 500	Model	Nifty 500	Model	Nifty 500	Model
January 2013 – February 2014	2%	5%	59%	52%	17%	15%

Source: Internal Research

Simulation shows that the model could have delivered superior returns as compared to Nifty 500 with lower volatility.

Monthly Rolling Returns Based on an Investment Period of*		Total Observations	Key Parameters					
			Less than 0%	0-5%	5-8%	8-12%	Greater than 12%	
1 Year	Model	193	11.40%	12.95%	16.58%	23.83%	35.23%	
	Nifty 500	193	25.39%	12.44%	8.29%	11.92%	41.97%	
3 Years	Model	169	0.00%	9.47%	13.61%	41.42%	35.50%	77%
	Nifty 500	169	7.10%	15.98%	8.28%	21.30%	47.34%	
5 Years	Model	145	0.00%	0.00%	9.66%	65.52%	24.83%	90%
	Nifty 500	145	2.07%	13.79%	15.86%	24.14%	44.14%	

*The above data is as on December 31, 2023. *Calculated on a monthly basis; Source: Internal Research. Rolling Returns are the annualized returns of a scheme/index/model taken for a specified period (rolling returns period) on every day/week/month and taken till the last day of the duration. In the above tables, the returns are the Compounded Annual Growth Returns (CAGR) over the rolling returns period on a monthly basis.*

For instance, for an investment period of 3 years, the model has given returns of 8% and above around 75% of the time.

The returns illustrated above are based on the following assumptions.

Assumptions for performance evaluation

- Nifty 500 + CRISIL Liquid Fund Index for the evaluation of the model.
- Period of January 2007 to January 2024 to include the two largest crashes.
- Rolling returns calculated on a monthly basis since model allocates assets once every month.
- All of the above returns are calculated on a pre-tax basis.

Disclaimer: The back testing results given are merely for the purpose of understating how the model works. The above table / graph is for illustrative purposes only and should not be construed in any way as guaranteed or promised returns from the model or the Scheme. Past Performance may or may not be sustained in the future.

PGIM India Balanced Advantage Fund Features

Asset Allocation

Instruments	Indicative allocations (% of total assets)		Risk Profile High/Medium/Low
	Minimum	Maximum	
Equity & Equity Related Instruments	0%	100%	Medium to High
Debt and Money Market Instruments	0%	100%	Low to Medium

For more details on Asset Allocation, please refer Scheme Information Document of the Scheme on www.pgimindiamf.com

Fund Managers: Vinay Paharia (Equity Portion) is managing this fund since April 01, 2023; Anandha Padmanabhan Anjeneyan (Equity Portion) is managing this fund from April 01, 2023; Mr. Hitash Dang (Equity Portion) since June 01, 2021; Ojasvi Khicha (Overseas Investments) is managing this fund from April 01, 2023 and Puneet Pal (Debt Portion) is managing this fund from December 01, 2021.

Benchmark: CRISIL Hybrid 50+50 Moderate Index

Entry Load: Not Applicable

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.

Plans and Options: Regular Plan and Direct Plan. Growth, IDCW Payout** and IDCW Reinvestment**

(**Income Distribution cum Capital Withdrawal option)

Minimum Amount of Investment: Initial Purchase – Minimum of Rs. 5,000/- and in multiples of Re.1/- thereafter. Additional Purchase - Minimum of Rs.1,000/- and in multiples of Re.1/- thereafter.

Systematic Investment Plan (SIP): Minimum 5 installments of Rs. 1,000/- each and in multiples of Re. 1/- thereafter for Monthly and Quarterly SIP. Minimum SIP Top up amount for Monthly and Quarterly SIP is Rs. 100/- and in multiples of Re. 1/-

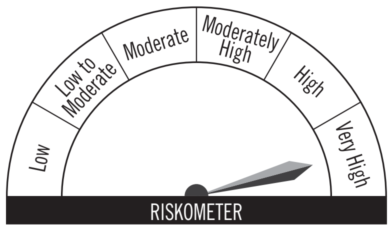
About Us

PGIM India Mutual Fund is a wholly owned business of PGIM, the global investment management business of the US based Prudential Financial, Inc. (PFI). PGIM India Asset Management is the full service investment manager of PGIM India Mutual Fund, offering a broad range of equity and fixed income solutions to retail and institutional investors throughout the country. We manage 21 open-ended funds operated by 13 investment professionals. In addition to managing our investors assets through domestic Mutual Funds, we also offer Offshore Funds and Portfolio Management Services. The fund house leverages the strength and stability of PGIM's 145-year legacy to build on its decade long history in India. Headquartered in Mumbai, PGIM India Mutual Fund has a presence in 27 cities across the country. PGIM India Mutual Fund brings a rich blend of global resources, intellectual acumen and local investment expertise and is committed to designing superior and meaningful, wealth building solutions for our investors. PGIM India provides unique training and educational programs for building exceptional capabilities and best business practices for its business associates.

This product is suitable for investors who are seeking*:

- Capital appreciation over a long period of time.
- Investment in equity and equity related securities including the use of equity derivatives strategies and arbitrage opportunities with balance exposure in debt and money market instruments.
- 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