MUTUAL FUNDS Sahi Hai

PGIM INDIA BANKING AND PSU DEBT FUND

An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds. A relatively high interest rate risk and moderate credit risk scheme.

Rated AAAmfs by ICRA##

August 2023

PGIM India Mutual Fund

Why invest in PGIM India Banking and PSU Debt Fund?

PGIM India Banking and PSU Debt Fund is a low to moderate risk fund that seeks to generate income and capital appreciation by investing predominantly in debt instruments issued by banks, Public Sector Undertakings#, Public Financial institutions and Municipal Bonds.

#A Public Sector Undertaking is defined as a Company having 51% of its outstanding share capital held by the Central Government and/or State Government, directly or indirectly. (Source: www.nseindia.com - definition for Nifty PSE Index).

Portfolio Positioning* and Strategy

- Focus will be on investing predominantly in bonds issued by PSUs and various debt instruments issued by banks.
- The scheme is actively managed by the Fund Management team dynamically tracking interest rates, market movements and keeping a close watch on various parameters of the Indian economy as well as developments in global markets.
- A variety of macro parameters that are likely to impact rates are routinely assessed while internal rating models are employed to evaluate and monitor credit risk of the underlying holdings in the fund.
- Strict portfolio discipline and actively managed holdings help in moderating the return volatility.

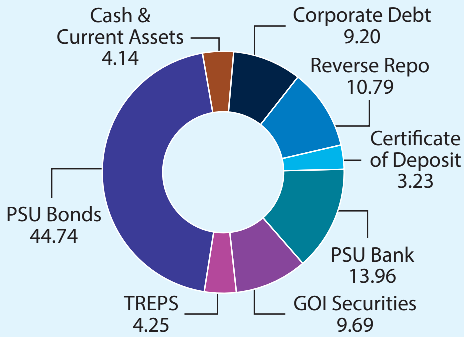
Portfolio Characteristics*

- The portfolio predominantly comprises of AAA rated securities issued by PSUs and Sovereign Bonds.
- Modified Duration of the fund will range from 1 to 4 Years

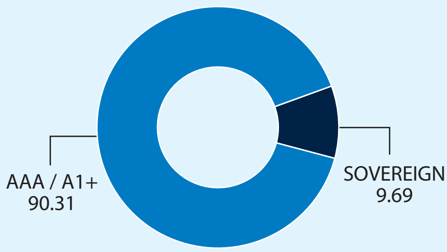
Who should invest?

PGIM India Banking and PSU Debt Fund is ideal for investors seeking to invest in a debt portfolio with a horizon of at least 1 year.

Asset Allocation (% AUM)



Credit Quality Profile (% AUM)



Maturity Profile As on August 2023 (% of AUM)

0-6 M	2.18
6-12M	2.16
1-3Y	46.86
3-5Y	19.95
7-10Y	9.69
Others	19.17

Fund Details as on August 2023

Portfolio Yield (%)	7.33
Average Maturity	2.76 years
Modified Duration	2.21 years
Macaulay Duration	2.35 years

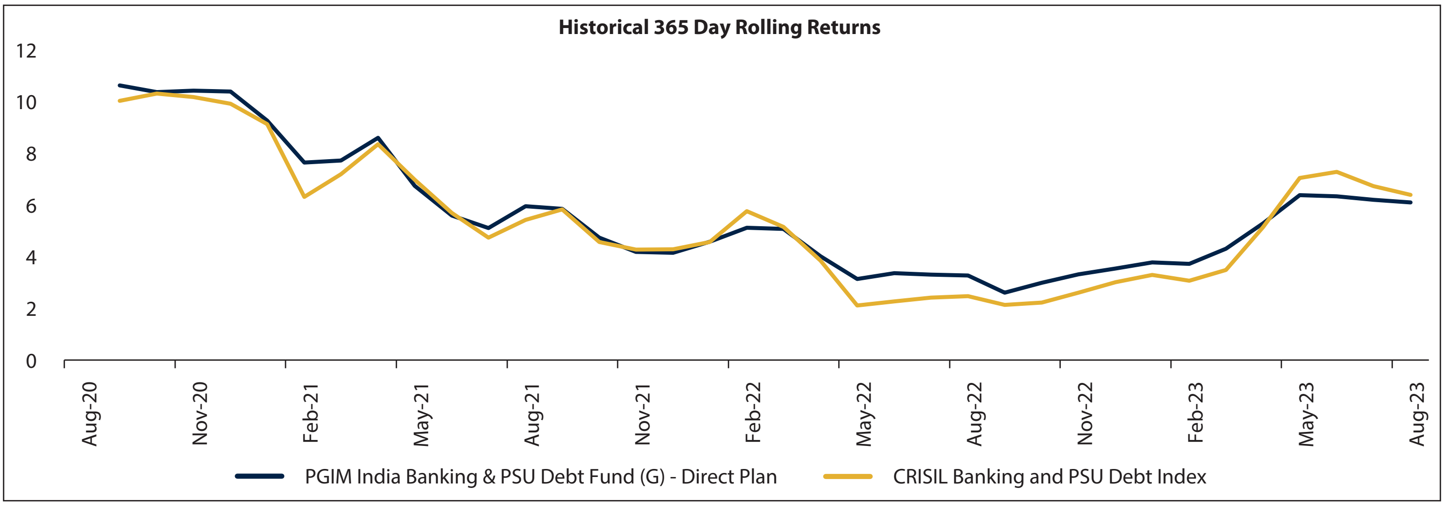
Portfolio (Top Ten Holdings)

Issuer	% to Net Assets	Rating
National Bank For Agriculture & Rural Development	9.76	CRISIL AAA
Small Industries Development Bank Of India	9.37	CRISIL AAA
Power Finance Corporation Ltd.	9.30	CRISIL AAA
HDFC Bank Ltd.	9.20	CRISIL AAA
Power Grid Corporation Of India Ltd.	8.64	CRISIL AAA
Housing & Urban Development Corporation Ltd	8.28	ICRA AAA
NTPC Ltd.	6.29	CRISIL AAA
7.26 GOI Mat 2033	5.49	SOV
State Bank Of India	4.20	CRISIL AAA
Mahanagar Telephone Nigam Ltd.	2.86	CRISIL AAA (CE)

Please visit https://www.pgimindiamf.com/statutory-disclosure/monthlyportfolio for complete details on portfolio holding of the Scheme.

All the above data are as on August 31, 2023. * These are based on fund manager's current outlook & Subject to change.

Historical Rolling Returns



The above historical returns are rolling returns for the Direct Plan - Growth Option and for the period beginning August 31, 2020 to August 31, 2023.
Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Performance (CAGR)

	Fund		CRISIL Banking & PSU Debt Index ^		CRISIL 10 Year Gilt Index#	
Period	**Returns (%)**	**Value (INR)***	**Returns (%)**	**Value (INR)***	**Returns (%)**	**Value (INR)***
Regular Plan - Growth Option						
Last 1 Year	5.88	10,590	6.36	10,638	6.88	10,689
Last 3 Years	4.70	11,478	4.83	11,521	3.70	11,151
Last 5 Years	6.87	13,940	7.04	14,054	6.70	13,834
Since Inception	7.43	21,215	7.85	22,094	6.17	18,741
Direct Plan - Growth Option						
Last 1 Year	6.08	10,609	6.36	10,638	6.88	10,689
Last 3 Years	5.09	11,607	4.83	11,521	3.70	11,151
Last 5 Years	7.31	14,234	7.04	14,054	6.70	13,834
Since Inception	7.92	22,239	7.85	22,094	6.17	18,741

Date of Inception: Regular Plan: March 11, 2013; Direct Plan: March 11, 2013. All the above returns are CAGR. CAGR – Compounded Annual Growth Rate.

^ Scheme Benchmark. # Standard Benchmark. *Based on standard investment of ₹ 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. Returns for the benchmark have been calculated using TRI values.

Puneet Pal is managing this fund since December 13, 2017 and Bhupesh Kalyani is managing this fund since September 13, 2022. Different plans have a different expense structure. The above returns are as on August 31, 2023.

Performance of other funds managed by Fund Manager Puneet Pal as on August 31, 2023

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since	Co-managed by
Top 3 Schemes Performance (%)					
PGIM India Hybrid Equity Fund	11.73	14.98	8.01	April 01, 2023	A. Anandha (Equity)
CRISIL Hybrid 35+65 - Aggressive Index^	8.76	16.12	11.22		Vinay Paharia (Equity) Ojasvi Khicha (Overseas)
PGIM India Flexi Cap Fund	8.78	22.70	15.09	April 01, 2023	Vinay Paharia (Equity)
NIFTY 500 TRI^	11.39	23.10	12.33		A. Anandha (Equity) Ojasvi Khicha (Overseas)
PGIM India Midcap Opportunities Fund	7.75	31.80	19.33	July 16, 2022	Vinay Paharia (Equity)
NIFTY Midcap 150 TRI^	24.56	33.31	16.87		A. Anandha (Equity)
Bottom 3 Schemes Performance (%)					
PGIM India Dynamic Bond Fund	5.56	4.06	6.56	December 13, 2017	Bhupesh Kalyani (Debt)
CRISIL Dynamic Bond A-III Index^	6.73	4.83	7.84		–
PGIM India Corporate Bond Fund	5.73	4.85	6.35	December 13, 2017	Bhupesh Kalyani (Debt)
CRISIL Corporate Bond B-III Index^	6.26	6.61	7.23		–
PGIM India Short Duration Fund	5.74	4.20	3.92	December 13, 2017	Bhupesh Kalyani (Debt)
CRISIL Short Duration Debt B-II Index^	7.25	5.70	7.21		–

Mr. Puneet Pal is managing 18 schemes of PGIM India Mutual Fund.

Top three and bottom three schemes managed by the fund manager have been derived on the basis of last one year performance ending on August 31, 2023.

^ 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 of Regular Plan - Growth Option of respective schemes. All the above returns are CAGR. CAGR - Compounded Annual Growth Rate.

Different plans have a different expense structure. Returns for the benchmark have been calculated using TRI values.

On account of difference in scheme features, the performance of these schemes are not strictly comparable. Please refer www.pgimindiamf.com for details on performance of all schemes (including Direct Plan).

Performance of other funds managed by Fund Manager Bhupesh Kalyani as on August 31, 2023

	Last 1 Year	Last 3 Years	Last 5 Years	Managing Since	Co-managed by
Top 3 Schemes Performance (%)					
PGIM India ELSS Tax Saver Fund	12.98	24.26	13.06	April 01, 2023	Vinay Paharia (Equity)
NIFTY 500 TRI^	11.39	23.10	12.33		A. Anandha (Equity)
PGIM India Large Cap Fund	11.00	17.42	9.48	April 01, 2023	Vinay Paharia (Equity)
NIFTY 100 TRI^	7.03	20.03	11.12		A. Anandha (Equity)
PGIM India Money Market Fund	6.80	4.37	–	September 13, 2022	Puneet Pal
CRISIL Money Market B-I Index^	7.12	5.05	–		–
Bottom 3 Schemes Performance (%)					
PGIM India Dynamic Bond Fund	5.56	4.06	6.56	September 13, 2022	Puneet Pal
CRISIL Dynamic Bond A-III Index^	6.73	4.83	7.84		–
PGIM India Gilt Fund	5.61	4.14	6.58	September 13, 2022	Puneet Pal
CRISIL Dynamic Gilt Index^	7.24	4.84	7.71		–
PGIM India Corporate Bond Fund	5.73	4.85	6.35	September 13, 2022	Puneet Pal
CRISIL Corporate Bond B-III Index^	6.26	6.61	7.23		–

Mr. Bhupesh Kalyani is managing 13 schemes of PGIM India Mutual Fund. Top three and bottom three schemes managed by the fund manager have been derived on the basis of last one year performance ending on August 31, 2023. ^ 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 of Regular Plan - Growth Option of respective schemes. All the above returns are CAGR. CAGR - Compounded Annual Growth Rate. Different plans have a different expense structure. Returns for the benchmark have been calculated using TRI values. On account of difference in scheme features, the performance of these schemes are not strictly comparable. Please refer www.pgimindiamf.com for details on performance of all schemes (including Direct Plan).

Fund Manager's View

- Despite high volatility witnessed in August 2023, bond yields closed almost flat month over month. Yields were higher across curves, as rising food inflation and hardening global bond yields spoiled sentiments. The 10yr bond yield touched a high of 7.25% before retreating to end the month at 7.18%, flat from last month. The curve flattened further with the longer end outperforming the shorter end. The AAA corporate curve outperformed the sovereign curve on favorable demand supply dynamics.
- The MPC policy was largely on expected lines, but the announcement of Incremental CRR (I-CRR) surprised markets and led to hardening in the shorter end of the money market curve. The Overnight Index Swaps (OIS) curve also moved up. CPI Inflation came in higher than expected at 7.44%, though core inflation moderated. The rise in CPI Inflation was largely driven by food inflation, especially vegetables. Over the last month, vegetable prices have cooled down but concerns over the monsoon linger on as August was not only the driest August in India since 1901 but also the hottest. The government has been managing inflation proactively through fiscal steps and has taken a series of steps to bring down food inflation. Nonetheless, given the monsoon deficit and the irregular pattern of rains because of the El Nino effect, food inflation needs to be watched over the next couple of quarters. In the MPC minutes, RBI Deputy Governor Michael Patra commented that the liquidity overhang can pose a challenge from an inflation perspective. This comment assumes significance, as in all the last three monetary tightening cycle in India, we have seen interbank liquidity getting into the negative zone, and with food inflation remaining a concern, we believe that the next quarter could see liquidity tightness persisting in the banking system.
- Indian GDP growth for Q1FY24 came in line with expectations at 7.80%, with the services sector doing better, along with investments. Rural growth continues to lag urban growth, and GDP growth is likely to slow down sequentially. The government is confident about achieving 6.50% GDP growth in FY24 though the consensus among analysts is around 6%. Total tax collections in this financial year so far continue to be lower than last year. Productivity of capital as denoted by the Incremental Capital Output Ratio (ICOR) seems to be improving though the productivity of other factors of production also need to improve; particularly labor productivity, for India to increase its long-term potential rate of growth. Monsoons and global growth will be key variables to watch out for going ahead with respect to both growth and inflation trends in the short run.
- Globally, yields hardened led by US treasuries as fiscal concerns topped optimism that the Fed may not hike further. Fiscal concerns in the US led to a steepening in the curve and the dollar Index (DXY) went above 104 even as the economic data came in mixed.
- The policy rate differential between US and India has narrowed close to a historically low level. India's strong and stable macroeconomic variables and narrowing of Inflation differentials with US have been the underlying reasons for the narrowing of spread and for the spreads to sustain at lower levels we need to make sure that we remain on a solid macroeconomic footing.
- Brent crude continued its upward momentum, rising by 2% over the month, and closing at USD 87 a barrel. The US crude stocks, including Strategic Petroleum Reserves (SPR) are at multi-year lows and along with the production cuts announced earlier by OPEC+ being carried forward, Brent is seen to continue its upward trajectory. The INR depreciated marginally over the month ending at 82.78 from 82.25 at the start of the month but breached the long-standing resistance level of 83 as it touched a low of 83.15 before retracing back below 83 on probable RBI intervention. Portfolio flows continued to be strong both in debt and equity. Equity flows at USD 1.48bn and debt flows at USD 935mn.
- Indian and global growth looks to be faring much better than anticipated at the start of the year. Given the current growth inflation dynamics we think we are in the last leg of the global monetary tightening cycle which began last year, and Central banks are likely to be on a long pause from next quarter onwards.
- We believe that the RBI will be on a long pause and the rate cutting cycle in India will start only when the developed market Central banks have addressed the challenge of inflation effectively, which in our view will happen from 2024 onwards.
- We expect the 10yr Benchmark bond to trade in a range of 7.10% to 7.30% over the next one month.

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 20 open-ended funds operated by 15 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.

Asset Allocation

Instruments	Indicative allocations (% of total Assets)		Risk Profile
	Minimum	Maximum	
Money market and debt securities issued by Banks, Public Sector Undertakings (PSU), Public Financial institutions (PFI) and Municipal Bonds	80%	100%	Low to Medium
Other Debt and Money Market Securities	0%	20%	Low to Medium

Please refer to the Scheme Information Document for more details on asset allocation.

Key Features

Benchmark index:
CRISIL Banking & PSU Debt Index

Fund Manager:
Mr. Puneet Pal and
(w.e.f. September 13, 2022) Mr. Bhupesh Kalyani

Exit load: Nil.

Potential Risk Class

Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)		**B-III**	

Macaulay Duration: The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

Modified Duration: Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.

##ICRA has assigned the "[ICRA] AAAmfs" (pronounced as ICRA triple A m f s) rating to the PGIM India Banking and PSU Debt Fund. Schemes with this rating are considered to have the highest degree of safety regarding timely receipt of payments from the investments that they have made. The ratings should, however, not be construed as an indication of the performance of the Mutual Fund scheme or of volatility in its returns For complete rating scale and definitions please refer to ICRA's Website www.icra.in or other ICRA Rating Publications ICRA Credit Quality Rating Methodology for debt mutual fund schemes ICRA's mutual fund rating methodology is based on evaluating the inherent credit quality of the fund's portfolio. As a measure of the credit quality of a debt fund's assets, ICRA uses the concept of "credit scores". These scores are based on ICRA's estimates of credit risk associated with each exposure of the portfolio taking into account its maturity. To quantify the credit risk scores, ICRA uses its database of historical default rates for various rating categories for various maturity buckets. The credit risk ratings incorporate ICRA's assessment of a debt fund's published investment objectives and policies, its management characteristics, and the creditworthiness of its investment portfolio. ICRA reviews relevant fund information on an ongoing basis to support its published rating opinions. If the portfolio credit score meets the benchmark of the assigned rating during the review, the rating is retained. In an event that the benchmark credit score is breached, ICRA gives a month's time to the debt fund manager to bring the portfolio credit score within the benchmark credit score. If the debt fund manager is able to reduce the portfolio credit score within the benchmark credit score, the rating is retained. If the portfolio still continues to breach the benchmark credit score, the rating is revised to reflect the change in credit quality.

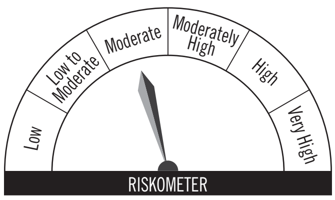
Riskometer

This product is suitable for investors who are seeking*:

- Income over the short term
- Investment in debt instruments issued by Banks and Public Sector Undertakings, Public Financial institutions and Municipal Bonds
- Degree of risk – MODERATE

*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 moderate risk

Benchmark Riskometer

CRISIL Banking & PSU Debt Index
Benchmark riskometer is at moderate risk

C105-p/2023-24