MUTUAL FUNDS Sahi Hai

PGIM India Mutual Fund

PGIM INDIA INSTA CASH FUND

An Open Ended Liquid Scheme

Rated AAAmfs by ICRA##

April 2021

Why invest in PGIM India Insta Cash Fund?

PGIM India Insta Cash Fund is a low to moderate risk fund that seeks to generate steady returns with high liquidity by investing in a portfolio of short term, high quality money market and debt instruments. The portfolio is rated AAAmfs by ICRA, denoting the highest degree of safety regarding timely receipt of payments from the investments that they have made.

Investment Strategy

- PGIM India Insta Cash Fund seeks to deliver reasonable market related returns with lower risk and higher liquidity through a portfolio of debt and money market instruments.
- Fund managers will manage portfolios based on the outlook on interest rates and liquidity etc. Such outlook will be developed by in-house assessment of various macro factors like economic growth, inflation, credit pick-up, liquidity and other such factors as considered relevant.
- Fund managers will actively monitor and review markets and portfolios so that necessary rebalancing of the portfolios can be done.
- The portfolio comprises of securities with a residual maturity of upto 91 days

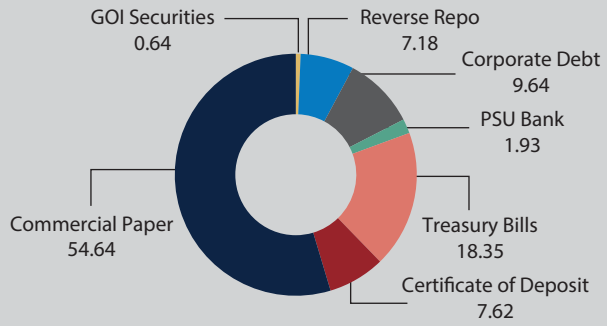
Portfolio Positioning*

- Major portion of the fund is invested in Commercial Papers.
- 100% of the portfolio is invested in AAA/A1+ rated securities and Sovereign Bonds

Who should invest?

PGIM India Insta Cash Fund is ideal for investors looking at managing their short term liquidity requirements

Asset Allocation (% AUM)



Credit Quality Profile (% AUM)

Fund Details

AUM as on April 30, 2021 (₹ in Crore):	640.33
For the Debt Portfolio	
Portfolio Yield (%)	3.41
Modified Duration (months)	1.08
Average Portfolio Maturity (months)	1.08
Macaulay Duration (months)	1.08

Portfolio Holdings

Issuer	% to Net Assets	Rating
Reliance Jio Infocomm Limited	9.54	CARE A1+
364 Days Tbill Mat 2021	9.49	SOV
91 Days T Bill Mat 2021	7.59	SOV
Sikka Port Terminal Limited (Erstwhile East West Pipeline Limited)	6.45	CRISIL AAA
Ultratech Cement Ltd.	6.36	IND A1+
L&T Finance Holdings Ltd.	6.36	CARE A1+
Indian Oil Corporation Ltd.	6.36	ICRA A1+
Bank Of Baroda	6.35	IND A1+
L&T Housing Finance Limited	6.35	CRISIL A1+
Axis Securities Ltd	6.35	ICRA A1+

All the above data are as on April 30, 2021. * These are based on fund manager's current outlook & Subject to change.

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.

Fund Manager's View

Inflation

- After hitting a low in January, both CPI and WPI have continued an upward trend over the last 2 months. In March, WPI rose to its highest in 27 months leaping over 200 bps from its February print to touch the 7% handle. CPI in March 2021 rose to 5.5% from 5.03% in February.
- In addition to the continuing supply disruptions over the past several months , high fuel prices have played a critical part in increasing the transportation and logistics costs. Food prices are also yet to soften significantly after a bumper rabi harvest. Crude has globally started softening a little after peaking in March, but still reigns over USD 60 / bbl.
- Average CPI for fiscal 2021 stood at 6.2%, rising from 4.6% in the previous year. CPI is expected to moderate in fiscal 2022 as disruptions ease and the second wave, while equally severe, is handled with lesser disruptions and without a 100% lockdown this time around. For instance, movement of freight and cargo has been permitted and commercial vehicles are plying to near full strength. Also, factories and infra / construction have been permitted to function with safeguards and onsite guidelines.

MPC – April meeting

- The MPC meeting outcome was along expected lines with RBI leaving all key policy rates unchanged. At the same time, RBI committed to support yields and liquidity as in the previous meetings using the entire array of tools at its disposal.
- The policy tone was clearly dovish, with the RBI acknowledging upward impulses in both headline and core inflation. However, the Deputy Governor clarified that most of the recent contribution to inflation has happened, in RBI's judgement, due to "pandemic related disruptions" rather than "demand pull".
- The policy and the minutes of the meeting unequivocally reflect the need to "support growth" even as inflation remains high in the "near term". Most MPC members view the inflation uptick as temporary and believe that the effects will fade as supply disruptions normalize over time.

Rates and liquidity

- Liquidity in April continued to remain in surplus as reiterated by the RBI.
- The MPC at its April meeting also remained "pro-growth" in its orientation and committed to keep the stance accommodative and to maintain system liquidity in surplus for "as long was needed" to ensure a return to durable growth. Unlike in the past, RBI refrained from specifying a time limit to maintaining easy liquidity conditions, and linked it purely to a "need-based" manner instead.

Outlook

- The April MPC policy stood out for having departed from RBI's hitherto orthodox stance. RBI announced a calendar for Open Market Operations (purchases of G Secs in the secondary market) for the first time, terming it as a Govt Security Acquisition Program (GSAP 1.0). Under the program, RBI plans to buy INR 1 trillion of G secs in the current quarter.
- Also, RBI used the policy to announce continuation of its liquidity normalization, with planned introduction of longer-term variable rate reverse repo (VRRR) operations. Hence, the short term liquidity that is being sucked out should be infused through longer term operations (under GSAP). This could lead to a compression in term spreads and some flattening in the yield curve.
- Bond yields have been anchored for now by RBI's continued intervention in the secondary markets. Borrowing calendar for the first half of FY 2022 does not have any major surprises, with RBI looking to mop up 60% of the aggregate requirement (of INR 12.05 trillion) in H1. There is also a higher mop-up planned at the longer end of the curve. In tenors up to 3 years, the planned borrowing is the least.
- For now, RBI appears to want to get growth back in a more durable fashion and hence avoid actions that can negatively impact the early-stage recovery. Also, rather than wait for a full recovery to take place, and probably learning from the post-GFC 2008 inflation surge, RBI prefers to initiate baby steps towards liquidity normalization.
- Given this environment, we prefer the short / mid end products such as the Corporate Bond (PGIM India Premier Bond Fund) and PGIM India Banking & PSU Debt Fund along with the PGIM India Dynamic Bond Fund for investors with a higher risk appetite seeking duration gains.
- Investors with a shorter time horizon of up to 6 months should also look at the PGIM Ultra Short-Term Fund, a high-quality fund that invests predominantly in the 3–12-month segment to maintain duration under 6 months.

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 Mutual Fund offers 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 14 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 140-year legacy to build on its decade long history in India.

PGIM is the global investment management business of PFI, one of the top 10 investment managers* with over USD 1.5 trillion[1] in asset under management. PGIM offers a wide range of actively managed asset classes and investment styles including Equities, Fixed Income and Real Estate. PGIM employs over 1300+ investment professionals serving investors in 52 countries and follows a multi-manager model with strong capabilities beyond traditional assets.

Source: pgim.com *Pensions & Investments Top Money Managers list, June 1, 2020; ranking reflects largest money managers by assets under management as of March 31, 2020; based on PFI total worldwide assets under management as of March 31, 2020. [1]All Information as of December 31, 2020.

Asset Allocation

Instruments	Indicative allocations (% of total Assets)		Risk Profile
	Minimum	Maximum	
Debt and Money Market Instruments	0%	100%	Low to Medium

The scheme shall make investments in / purchase money market and debt instruments with a maturity of upto 91 days.

Key Features

Benchmark index:
CRISIL Liquid Fund Index

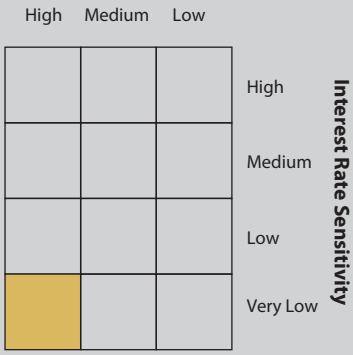
Fund Manager:
Mr. Kumaresh Ramakrishnan and Mr. Kunal Jain

Exit load:

Investor exit upon subscription	Exit load as a % of redemption / switch proceeds
Day 1	0.0070%
Day 2	0.0065%
Day 3	0.0060%
Day 4	0.0055%
Day 5	0.0050%
Day 6	0.0045%
Day 7	0.0000%

No exit load will be charged for switches and STP between Schemes of PGIM India Mutual Fund except from PGIM India Insta Cash Fund.

Investment Style Box



#ICRA has assigned the "[ICRA] AAAmfs" (pronounced as ICRA triple A m f s) rating to the PGIM India Insta Cash 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*:

- Liquidity and generate income in the short term
- Investment in debt and money market securities with maturity upto 91 days only
- Degree of risk – LOW TO MODERATE

*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 low to moderate risk

The views of the Fund Manager should not be construed as an advice and investors must make their own investment decisions regarding suitability of the funds based on their specific investment objectives and financial positions and using such independent advisors as they believe necessary.

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