MUTUAL FUNDS Sahi Hai

PGIM India Mutual Fund

PGIM INDIA INSTA CASH FUND

An Open Ended Liquid Scheme

Rated AAAmfs by ICRA##

July 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

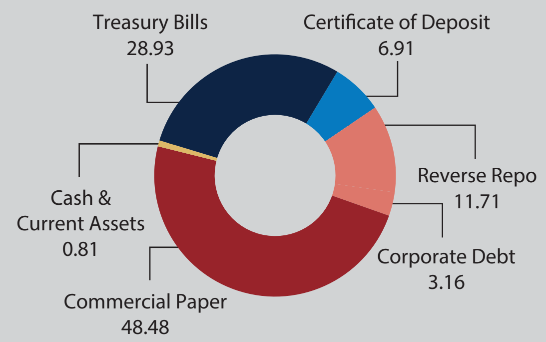
Portfolio Positioning*

- 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 July 31, 2021 (₹ in Crore):	631.15
For the Debt Portfolio	
Portfolio Yield (%)	3.46
Modified Duration (months)	0.84
Average Portfolio Maturity (months)	0.84
Macaulay Duration (months)	0.84

Portfolio Holdings

Issuer	% to Net Assets	Rating
91 Days Tbill Mat 2021	11.95	SOV
91 Days Tbill Mat 2021	10.7o	SOV
Berger Paints Limited	9.43	CRISIL A1+
Axis Bank Ltd.	6.91	CRISIL A1+
Tv18 Broadcast Limited	6.29	CARE A1+
Kotak Securities Limited	6.28	CRISIL A1+
91 Days Tbill Mat 2021	6.28	SOV
Axis Securities Ltd	6.26	ICRA A1+
Godrej Agrovet Limited	5.64	CRISIL A1+
Sikka Port Terminal Limited (Erstwhile East West Pipeline Limited)	3.16	CRISIL AAA

All the above data are as on July 31, 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 printing at a record high of 6.3% in May 2021, CPI for June 2021 (released in July) came in marginally lower at 6.26%. Notably, this was the second successive month with an over 6% print, being the upper end of RBI's tolerance band for CPI.
- Food inflation, while remaining high, moderated with the sequential month-on-month print at 1.17% as against 1.71% in May 21 (over April 21). Some categories of food softened in the month helping the reduction. Delayed monsoon in some parts has played a part in food inflation taking time to cool-off.
- Core inflation rose to a 7-year high of 6.30% in June (6.17% in May), even as the monthly sequential pace moderated. Crude, metals, commodities also caused the rise; however, some elements such as housing, clothing and miscellaneous products, declined.

Rates and liquidity

- Liquidity, already in a surplus, increased even further in July with daily average LAF balances in excess of INR 5.7 trillion (INR 4.8 trillion in June). Govt cash balances continued to build further from levels at the start of the fiscal. In a bid to ease the distortion in the forward premiums, the RBI opting to take delivery (USD) in spot rather than roll-over as in the past, also added to money market liquidity. Durable liquidity as a result, was closer to INR 9 trillion, pushing money market yields down sharply.
- T-bill yields moved down by 15-20 bps in the last fortnight of July, helped by excess liquidity. At the longer end, yields on the 10-year benchmark moved higher, both on the latest issuance (6.10% coupon) and the outgoing benchmark (5.85% benchmark). With the 6 % level no longer being defended by RBI, yields moved up sharply once it breached the 6% level.

Outlook

- Micro-frequency data, led by mobility indicators such as electricity consumption, IIP prints, infra orders, crude demand etc., are now either nearing pre-covid levels or have crossed over in a few cases. Auto dispatches in July, for instance, have recorded a good jump not only over July last year (when the lockdown was still in force), but also sequentially over June 2021. Barring the acute chip shortages which are severely hampering sales of certain models, dispatches are likely to have been even higher. Electricity consumption – all India at 125 billion units per unit is also higher than the all-time high of 116 billion units / month recorded in the pre-covid era.
- As the second wave recedes gradually, and the pace of vaccination rises, there is certainly more optimism on recovery and a more robust Q2. However, it is important that there is no third wave or it is a muted one if there is one.
- There is a fear that with rising inflation, excess liquidity and pick-up in activity, the pro-growth stance projected by the MPC may have to undergo a change. The upcoming policy in August will be closely monitored for the action, stance and commentary. We expect RBI to remain on an extended pause on rates and retain its accommodative stance, keeping liquidity well in surplus mode, though initializing liquidity normalization soon.
- Given the mixed environment wherein bond supply remains high, inflation is still over 6% but the revenue collections are showing strength in April – July period, we prefer the Short / mid end products such as the Corporate bond (PGIM India Premier Bond Fund) and PGIM India Banking & PSU fund. PGIM India Dynamic bond fund is an option for investors with an ability to handle some volatility 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 in 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 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 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

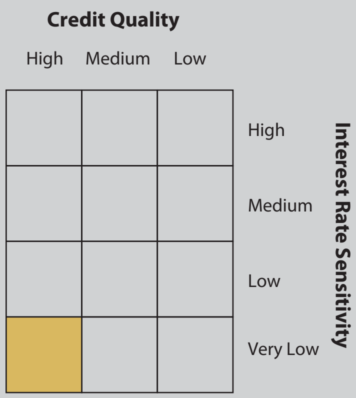
Fund Manager:
Mr. Kumaresh Ramakrishnan and Mr. Kunal Jain

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.