

PGIM INDIA LIQUID FUND

(Earlier known as PGIM India Insta Cash Fund)
An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk scheme.

Rated AAAMfs by ICRA##

October 2022



PGIM
India Mutual Fund

Why invest in PGIM India Liquid Fund?

PGIM India Liquid 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 the scheme has made.

Investment Strategy

- PGIM India Liquid 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

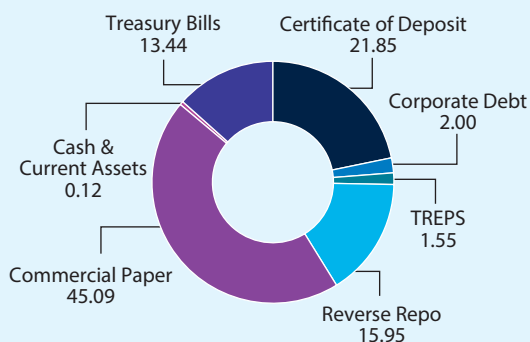
Portfolio Positioning*

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

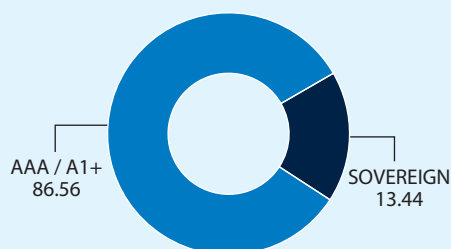
Who should invest?

PGIM India Liquid 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 October 31, 2022 (₹ in Crore): 717.02

For the Debt Portfolio

Portfolio Yield (%)	6.48
Modified Duration (months)	0.76
Average Portfolio Maturity (months)	0.81
Macaulay Duration (months)	0.81

Portfolio Holdings (Top Ten)

Issuer	% to Net Assets	Rating
Jamnagar Utilities & Power Private Limited	9.28	CRISIL A1+
Aditya Birla Finance	9.27	ICRA A1+
182 Days T Bill Mat 2022	6.78	SOV
LIC Housing Finance Ltd.	6.66	ICRA A1+
182 Days Tbill Mat 2022	6.66	SOV
Punjab National Bank	6.64	ICRA A1+
Housing Development Finance Corporation Ltd.	6.64	CRISIL A1+
National Bank For Agriculture & Rural Development	6.61	ICRA A1+
Axis Bank Ltd.	5.96	CRISIL A1+
Canara Bank	5.95	CRISIL A1+

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 October 31, 2022. * 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. **Modified Duration:** Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.

Fund Manager's View

- Indian Bonds were rangebound during the month even as global bond yields moved higher. The yield curve remained flat with the shorter end of the curve remaining elevated on expectations of further rate hikes while the long end of the curve was supported by real money investment demand. Currently, the Indian overnight swaps market is pricing in a terminal repo rate of 7.00%.
- The RBI, in our view, seems to be concerned about the external account and financial stability given the strength of the US dollar and consequent pressure on emerging market currencies, including the INR.
- The CPI Inflation for August (released in September) came in higher than expectations at 7.41% though it's expected to moderate towards 6% by April 2023.
- Inflation in the developed economies remained a concern as it exceeded expectations both in US and Europe though the Reserve Bank of Australia and Bank of Canada hiked their policy rates lower than market expectations.

This resulted in some softening in global bond yields as markets anticipated that major Central banks like the US Fed and ECB will also slow down the pace of rate hikes. Bond markets across the world will be looking at any signs of dovishness from the US Fed in their November meeting.

- The INR weakened by 1.75% against the US Dollar in October to 82.78 from 81.35 at the start of the month. Brent also rose by 7.81% during the month as OPEC announced production cuts.
- We expect further rate hikes by the RBI as India will be required to maintain Interest rate differential with the Fed Funds rate in light of our Twin Deficits (Current and Fiscal Deficit). We expect the terminal repo rate to be at 6.50%-6.75% by Feb 2023.
- The Credit / Deposit ratio of the banking system continued to widen with credit growth @17.90% and deposit growth@9.60% on a YOY basis, putting pressure on short-term deposit rates and money market yields.

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 22 open-ended funds operated by 16 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	
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 BI Index@
(@w.e.f. April 01, 2022, the benchmark has been changed from CRISIL Liquid Fund Index to CRISIL Liquid Fund BI Index)



Fund Manager:

(w.e.f. July 15, 2022) Mr. Puneet Pal and
(w.e.f. September 13, 2022) Mr. Bhupesh Kalyani



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%

Potential Risk Class

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

#ICRA has assigned the "[ICRA] AAAmfs" (pronounced as ICRA triple A m f s) rating to the PGIM India Liquid 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.

pgim india mutual fund



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Connect with us on:



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.

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

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