



PGIM INDIA LOW DURATION FUND

An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months to 12 months. A relatively low interest rate risk and moderate credit risk scheme. (The scheme has 1 segregated portfolio which was created under PGIM India Credit Risk Fund. Main portfolio of PGIM India Credit Risk Fund was merged with PGIM India Low Duration Fund w.e.f. January 22, 2022)

October 2022

Why invest in PGIM India Low Duration Fund?

PGIM India Low Duration Fund is a fund that seeks to generate income by investing primarily in low duration debt and money market instruments.

Investment Strategy

- The key element of the investment strategy for the fund is the identification of high quality issuers in the short duration space with rating primarily in the AAA/A1+ category.
- The scheme is actively managed both for credit and interest rates.
- 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 mark to market holdings help in moderating the return volatility.

Portfolio Characteristics*

- The lowest rating in corporate bond holdings in the fund would be AA-
- Maculay Duration of the fund will range from 6 to 12 months

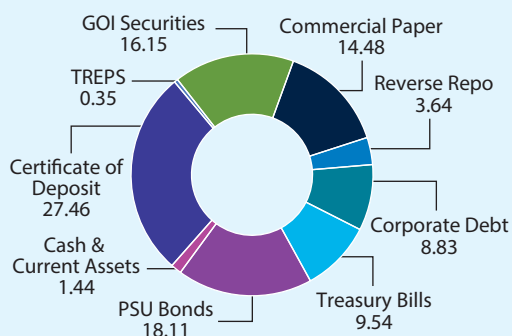
Portfolio Positioning*

- To maintain liquidity in the portfolio at all times, the portfolio will comprise of holdings in CDs and CPs. And for the purpose of generating carry for the fund, investments would be made in short tenor corporate bonds in the AAA and AA categories.
- Given the relatively shorter tenor of the product, liquidity and credit safety are primary considerations in the construct of the fund.

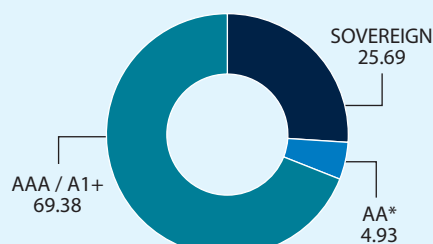
Who should invest?

PGIM India Low Duration Fund is ideal for investors seeking to invest in a portfolio of debt and money market instruments for an investment horizon of 6 to 12 months.

Asset Allocation (% AUM)

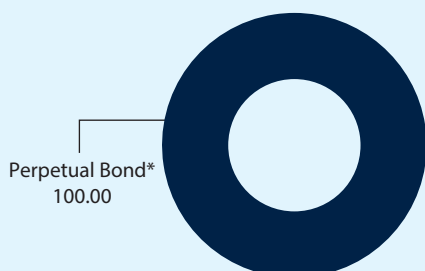


Credit Quality Profile (% AUM)



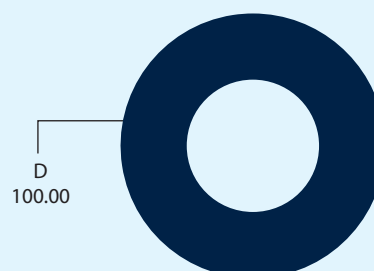
* AA include securities rated as AA and AA-

Asset Allocation (% AUM) (Segregated Portfolio)



* All the perpetual bonds in PGIM India Low Duration Fund are under Basel III.

Credit Quality Profile (% AUM) (Segregated Portfolio)



Fund Details

	Main Portfolio	Segregated Portfolio
AUM as on October 31, 2022 (₹ in Crore):	102.20	0.00
For the Debt Portfolio		
Portfolio Yield (%)	7.00	
Macaulay Duration (years)	0.57	
Modified Duration (years)	0.53	
Average Portfolio Maturity (years)	0.71	

Portfolio (Segregated Portfolio)

Issuer	% to Net Assets	Rating
Perpetual Bond	100.00	
Yes Bank Ltd.	100.00	ICRA D
Total	100.00	

Portfolio (Top Ten Holdings) (Main Portfolio)

Issuer	% to Net Assets	Rating
Hindustan Petroleum Corporation Ltd.	9.78	Crisil Aaa
Axis Bank Ltd.	9.60	Crisil A1+
182 Days Tbill Mat 2023	9.54	Sov
State Bank Of India	9.20	Care A1+
Canara Bank	8.66	Crisil A1+
Jm Financial Credit Solutions Limited	4.93	ICRA Aa
Government Of India - Gilts - 6.84% - 2022	4.90	Sov
Indian Oil Corporation Ltd.	4.89	Crisil Aaa
Jamnagar Utilities & Power Private Ltd	4.87	Crisil A1+
Aditya Birla Finance	4.85	ICRA A1+

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

This scheme has exposure to floating rate instruments and / or interest rate derivatives. The duration of these instruments is linked to the interest rate reset period. The interest rate risk in a floating rate instrument or in a fixed rate instrument hedged with derivatives is likely to be lesser than that in an equivalent maturity fixed rate instrument. Under some market circumstances the volatility may be of an order greater than what may ordinarily be expected considering only its duration. Hence investors are recommended to consider the unadjusted portfolio maturity of the scheme as well and exercise adequate due diligence when deciding to make their investments

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 including Government securities	0%	100%	Low to Medium

The Macaulay Duration of the portfolio will be maintained between 6 months to 12 months. Please refer to the Scheme Information Document for more details on asset allocation.

Key Features

Benchmark index:
CRISIL Low Duration Fund BI Index@ (@w.e.f. April 01, 2022, the benchmark has been changed from CRISIL Low Duration Debt Index to CRISIL Low Duration Fund BI Index.

Fund Manager:
(w.e.f. July 15, 2022) Mr. Puneet Pal

Exit load: Nil.

Potential Risk Class

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

pgim india mutual fund



1800 2667 446

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.

© 2022 Prudential Financial, Inc. (PFI) and its related entities. PGIM, the PGIM logo, and the Rock symbol are service marks of Prudential Financial, Inc., and its related entities, registered in many jurisdictions worldwide.

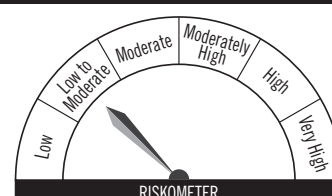
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Riskometer

This product is suitable for investors who are seeking*:

- Income over the short term
- Investment in low duration debt and money market instruments
- 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