

# PGIM INDIA MONEY MARKET FUND

An open ended debt scheme investing in money market instruments.  
A relatively low interest rate risk and moderate credit risk scheme.

Rated A1+ mfs by ICRA##

October 2022



**PGIM**  
India Mutual Fund

## Money Market Fund – A worthwhile option for the short term

A Money Market Fund is permitted to invest in money market instruments which are essentially discounted instruments viz. bank certificates of deposits, Commercial papers, T-bills etc. These instruments can be issued for a maximum maturity of 1 year. The fund enjoys investment flexibility since it can invest in instruments with 1 year tenor.

## Why invest in PGIM India Money Market Fund?

The PGIM India Money Market fund is a “low to moderate volatility” fund that seeks to deliver reasonable market related returns through investments in money market instruments such as Commercial Papers, Bank Certificate of Deposits and T bills, all instruments with a maximum tenor of a year.

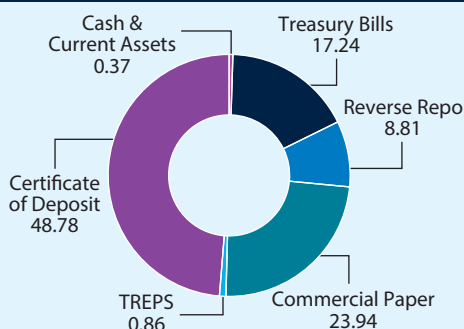
## Portfolio Positioning\* and Strategy

- The fund will invest across a range of money market instruments including Commercial Papers (CPs), Certificates of Deposits (CDs), Treasury Bills, Cash Management Bills (CMBs) and other discounted instruments with tenors not exceeding 1 year. CP investments are restricted to high grade CPs (with long term ratings of AA+/AAA)
- Positioning along the money market curve, depends on steepness and the potential roll-down opportunities that may arise from time to time.
- The Fund will be positioned based on an analysis of liquidity conditions, the shape of the yield curve and other macro-economic indicators.
- Currently, the mid segment of the money market curve looks more attractive and given the existing steepness in this portion, the fund is invested in the 4-9 month segment, . Hence, the average maturity of the fund is closer to the lower end of the band.
- Currently, the portfolio only comprises of AAA/A1+ rated securities and Sovereign Bonds.

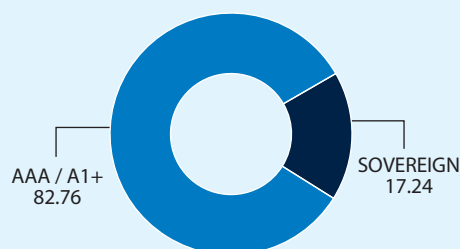
## Who should invest?

- PGIM India Money Market Fund is ideal for investors with the investment horizon of 6-12 months.
- Investors looking for investment avenues to park idle surplus funds for short term and with high liquidity and relatively low return volatility should consider this fund.

## Asset Allocation (% AUM)



## Credit Quality Profile (% AUM)



## Maturity Profile as on October 2022 (% of AUM)

Maturity	Percentage (% of AUM)
0-1M	10.03
1-3M	0.00
3-6M	89.97
6-9M	0.00
9-12M	0.00

## Fund Details#

Portfolio Yield (%)	6.94
Average Maturity	3.69 Months
Modified Duration	3.45 Months
Macaulay Duration	3.69 Months

## Portfolio Holdings as on October 31, 2022

Issuer	% to Net Assets	Rating
182 Days Tbill Mat 2023	9.76	SOV
Bajaj Housing Finance Ltd	9.02	CRISIL A1+
National Bank For Agriculture & Rural Development	8.28	CRISIL A1+
Kotak Mahindra Bank Ltd.	7.54	CRISIL A1+
Small Industries Development Bank Of India	7.51	CARE A1+
HDFC Bank Ltd.	7.49	CARE A1+
182 Days Tbill Mat 2023	7.48	SOV
ICICI Securities Ltd	7.46	CRISIL A1+
Tata Capital Financial Services Ltd	7.46	CRISIL A1+
Axis Bank Ltd.	6.00	CRISIL A1+

# The above numbers are based on data from since inception of the fund to October 31, 2022

All the above data are as on October 31, 2022. \* These are based on fund manager's current outlook & Subject to change.

## 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	
Money Market instruments	0%	100%	Low

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

## Key Features



### Benchmark index:

CRISIL Money Market Fund BI Index@  
(@w.e.f. April 01, 2022, the benchmark has been changed from CRISIL Money Market Fund Index to CRISIL Money Market 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:** Nil.

## Potential Risk Class

Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk ↓		<b>B-I</b>	
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.

## ICRA has assigned the "[ICRA]A1+mfs" (pronounced as ICRA A one plus m f s) rating to the PGIM India Money Market Fund. Schemes with "[ICRA]A1mfs" rating are considered to have very strong degree of safety regarding timely receipt of payments from the investments that they have made. Modifier ("+" (plus)) can be used with the rating symbol to reflect the comparative standing within the category. 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](http://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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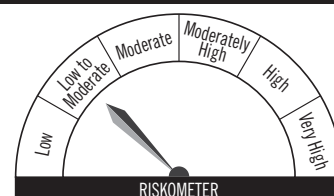
**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

## Riskometer

This product is suitable for investors who are seeking\*:

- Regular income for short term
- Investments in 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