

# 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 A+ mfs by ICRA##

November 2021



**PGIM**  
India Mutual Fund

## Money Market Fund – An unconstrained option for the short term

A Money Market (MM) 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.

### Fund Manager Views

- RBI once again paused on key rates in DEC policy with impetus on growth and making case for inflation prints to be on watch mode
- The policy tome was neutral abating fears of rate hikes soon albeit liquidity normalisation to pre-covid levels was on priority list
- The measures for liquidity normalisation included enhancement of VRRR amounts in 14 days and going for auction route on liquidity management from Jan22 onwards
- In the aftermath of above macro we expecting short term rates to rise over a period of time and hence our portfolio has lower duration to take advantage of higher accrual on maturities.
- We expecting 0-2 year curve to normalise post adjustment of overnight rates as we expect any rate hikes to start from Q1 FY 2022.

### 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

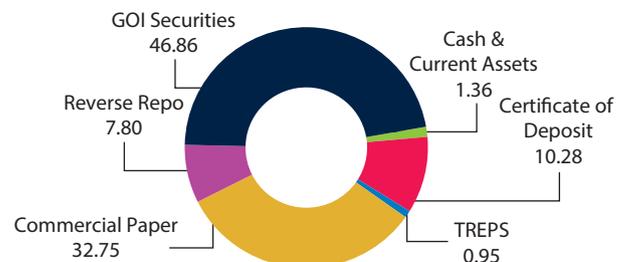
- The fund will invest across a range of money market instruments including Commercial Papers (CPs), Certificates of Deposits (CDs), Treasury Bills, Cash Management Bills (CMBs) and other discounted instruments with tenors not exceeding 1 year. CP investments are restricted to high grade CPs (with long 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?

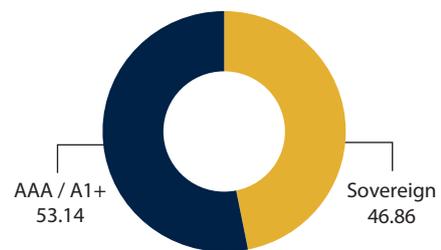
PGIM India Money Market Fund is ideal for investors with the investment horizon of 6-12 months.

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 November 2021 (% of AUM)

0-1M	15.86
1-3M	10.28
3-6M	56.75
6-9M	17.11
9-12M	0.00

### Fund Details#

Portfolio Yield (%)	3.91
Average Maturity	4.08 Months
Modified Duration	3.96 Months
Macaulay Duration	4.16 Months
Standard Deviation	0.01

### Portfolio Holdings as on November 30, 2021

Issuer	% to Net Assets	Rating
9.15 Kerala SDL Mat 2022	11.76	SOV
ICICI Securities Ltd	11.34	CRISIL A1+
LIC Housing Finance Ltd.	11.18	CRISIL A1+
Axis Bank Ltd.	10.28	CRISIL A1+
Network 18 Media & Investments Ltd	10.23	CARE A1+
8.92 Kerala SDL Mat 2022	5.92	SOV
9.12 Gujarat SDL Mat 2022	5.88	SOV
9.13 Gujrat SDL Mat 2022	5.87	SOV
9.14 Kerala SDL Mat 2022	5.86	SOV
9.01 Jammu & Kashmir SDL Mat 2022	5.82	SOV

# The above numbers are based on data from since inception of the fund to November 30, 2021

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

## Fund Manager's View

Indian Bond Yields came down by 5 to 10 BPS across the curve during the month of November 2021 on the back of strong real money demand. The longest end of the curve (more than 30 years) outperformed through growing concerns about Inflation in India and globally. The Monetary Policy Committee is scheduled to meet on 8th Dec 2021 and we expect it to start normalizing the monetary policy by increasing the reverse repo rate by 15 BPS to 3.50% while retaining an accommodative stance. The uncertainty caused by the advent of the Omicron variant is unlikely to prompt the RBI to stop the normalization process just now. We think that the inflationary pressures are very much present with "Core Inflation" remaining solid around 5.80%. We expect the curve to gradually flatten over the course of the next two quarters.

INR depreciated by 0.38% during the month largely because of the strength in DXY and risk aversion after the emergence of Omicron. Brent prices also cooled off by 16.36% towards the end of the month after the risk triggered by Omicron. PFIs continued to pull money out of Indian Bonds with November month outflows at USD 233mn though the equity market saw PFI inflows at USD 202mn, after a big outflow last month.

We are underweight duration as we expect yields to continue rising. We expect inflation to surpass RBI expectations as the economy starts to operate at its pre-covid capacity with vaccination levels increasing rapidly, though we would be closely monitoring the evolution the new Covid-19 variant.

## 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 22 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<sup>1</sup> 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 located in 39 offices across 17 countries and follows a multi-manager model with strong capabilities beyond traditional assets.

Source: [pgim.com](http://pgim.com) \*PGIM is the investment management business of Prudential Financial, Inc. (PFI); PFI is the 10th largest investment manager (out of 477 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on May 31, 2021. This ranking represents global assets under management by PFI as of December 31, 2020. <sup>1</sup>All Information as of March 31, 2021.

## 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 Index



**Fund Manager:**  
Mr. Kunal Jain and (w.e.f. December 01, 2021) Mr. Ankit Shah



**Exit load:** Nil. No exit load will be charged for switches and STP between debt schemes of PGIM India Mutual Fund except from PGIM India Insta Cash Fund.

No exit load will be charged for switches and STP from debt schemes except PGIM India Insta Cash Fund to Equity, Hybrid, FOF of PGIM India Mutual Fund.

## 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)			

**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.

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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