

PGIM INDIA SHORT DURATION FUND

(Earlier known as PGIM India Short Maturity Fund)
An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years. A moderate interest rate risk and moderate credit risk scheme.



PGIM
India Mutual Fund

November 2022

Why invest in PGIM India Short Duration Fund?

PGIM India Short Duration Fund is a low to moderate risk fund that seeks to generate returns with low volatility by investing in short/medium term debt securities and money market securities.

Portfolio Characteristics*

- The fund portfolio is a combination of short/medium term bonds.
- The fund currently is invested in AAA/A1+ rated papers and Sovereign Bonds to the extent of 94.09%.

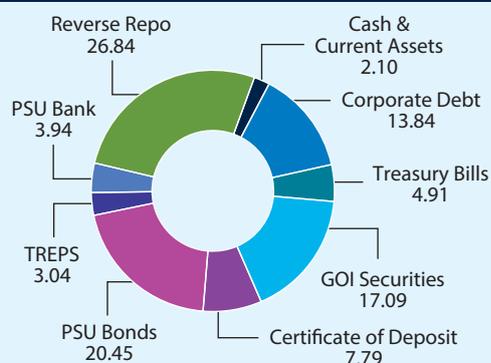
Portfolio Positioning*

- The short duration segment captures twin benefits of relatively lower volatility and 'higher carry'.
- In addition to the 'carry' component, the fund also benefits from ongoing improvement in liquidity conditions, which positively impacts any money market holdings and short term bonds (12-36 months) in the portfolio.

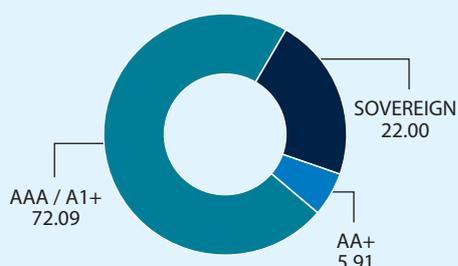
Who should invest?

Investors with more than 12 months time horizon can look at investing in the fund.

Asset Allocation (% AUM)



Credit Quality Profile (% AUM)



Fund Details

AUM as on November 30, 2022 (₹ in Crore):	25.21
For the Debt Portfolio	
Portfolio Yield (%)	6.75
Modified Duration (years)	0.99
Average Portfolio Maturity (years)	1.15
Macaulay Duration (years)	1.04

Portfolio (Top Ten Holdings)

Issuer	% to Net Assets	Rating
5.74 GOI Mat 2026	17.02	SOV
Power Finance Corporation Ltd.	8.57	CRISIL AAA
HDFC Bank Ltd.	7.79	CARE A1+
Muthoot Finance Limited	5.91	CRISIL AA+
Nuclear Power Corporation Of India Limited	3.98	CRISIL AAA
Food Corporation Of India	3.98	CRISIL AAA (SO)
Fullerton India Credit Company Limited	3.97	CRISIL AAA
SBI Cards And Payment Services	3.96	CRISIL AAA
National Housing Bank	3.94	CRISIL AAA
Small Industries Development Bank Of India	3.92	CARE AAA

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.

All the above data are as on November 30, 2022. * These are based on fund manager's current outlook & Subject to change.

Fund Manager's View

- Indian Bond yields came down during November 2022 in line with the fall in US and Europe bond yields though the fall in domestic yields was less pronounced. The rally in bond yields started as the US Inflation print came in lower than expected. The subsequent data points were mixed and Fed speakers continued to sound hawkish but yields continued to fall with the yield on the US 10yr Bond falling by 45bps during the month. Crude oil also fell by 10% during the month as market geared up for the impending price cap on Russian oil and slowdown in Chinese demand amidst lockdowns. The Indian yield curve remained flat with the shorter end of the curve remaining elevated on expectation of further rate hikes while the long end of the curve was supported by real money investment demand.
- As the dollar index fell sharply, INR strengthened against the US dollar by 1.63% during the month though we expect weakness in INR to persist as our trade deficit continues to be high at USD26 bn a month.
- The CPI Inflation for September (released in August) came in line with market expectations at 6.77% and we expect it to moderate towards 6% by April 2023.
- Inflation slowed more than expectations both in US and Europe though central banks speakers both in US and Europe continued with their cautious stance. The Fed meeting in early November was more hawkish than market expectations as the Fed chairman stated that the terminal rate can be higher though the pace of rate hikes can slow.
- The incremental Credit / Deposit ratio of the banking system is sustaining at an elevated level with credit growth @17.20% and deposit growth@9.60% on a YOY basis, putting pressure on short term deposit rates and money market yields. This gap between the deposit and the credit growth rates means that the money market rates will continue to sustain at elevated levels.
- We expect MPC to hike rates by 35 bps in the upcoming December meeting as India will be required to maintain some 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 April 2023.

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 1 year to 3 year. Please refer to the Scheme Information Document for more details on asset allocation.

Key Features



Benchmark index:

CRISIL Short Duration Fund BII Index@
(@w.e.f. April 01, 2022, the benchmark has been changed from CRISIL Short Term Bond Fund Index to CRISIL Short Duration Fund BII Index.)



Fund Manager:

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



Exit load: Nil.



Minimum application amount: Minimum of Rs. 5000/- and in multiples of Re. 1/- thereafter. **Minimum additional investment amount:** Rs. 1000/- and in multiples of Re. 1/- thereafter. **Minimum repurchase / redemption amount:** Rs. 1000/- and in multiples of Re. 1/- thereafter or account balance, whichever is lower.

Potential Risk Class

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

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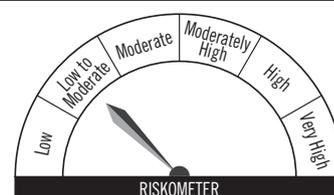
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Riskometer

This product is suitable for investors who are seeking*:

- Income over the short term
- Investment in short term 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