



PGIM India Mutual Fund
SCHEME INFORMATION DOCUMENT
SECTION – I
PGIM INDIA RETIREMENT FUND

(An open ended retirement solution oriented scheme having a lock-in of 5 years or till retirement age (whichever is earlier))

Product labeling for the scheme is as follows:

<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> • Long term capital appreciation • Investment predominantly in equity and equity related instruments 	<p align="center">Scheme Riskometer</p>  <p align="center">RISKOMETER</p> <p align="center">Very High - Investors understand that their principal will be at very high risk</p>	<p align="center">Benchmark Riskometer</p>  <p align="center">RISKOMETER</p> <p align="center">Benchmark riskometer is at very high risk</p> <p align="center">AMFI Tier 1 Benchmark - BSE 500 TRI</p>
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*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Continuous Offer of Units at NAV based pricesName

Name of Mutual Fund	:	PGIM INDIA MUTUAL FUND
Name of Asset Management Company	:	PGIM India Asset Management Private Limited
Name of Trustee Company	:	PGIM India Trustees Private Limited
Address of the entities	:	4 th Floor, C Wing, Laxmi Towers, Bandra Kurla Complex, Bandra East, Mumbai – 400 051
Website	:	www.pgimindiamf.com

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, herein after referred to as SEBI (MF) Regulations as amended till date, and and circulars issued thereunder filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document (SID).

The Scheme Information Document sets forth concisely the information about the Scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of PGIM India Mutual Fund, Standard Risk Factors, Special Considerations, Tax and Legal issues and general information on www.pgimindiamf.com.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website, www.pgimindiamf.com.

The Scheme Information Document (Section I and II) should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated June 26, 2024.

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Part I. HIGHLIGHTS / SUMMARY OF THE SCHEME

Sr. No.	Title	Description
I.	Name of the Scheme	PGIM INDIA RETIREMENT FUND
II.	Category of the Scheme	Solution Oriented Scheme – Retirement Fund
III.	Scheme Type	An open ended retirement solution oriented scheme having a lock-in of 5 years or till retirement age (whichever is earlier).
IV.	Scheme Code	PGIM/O/S/RET/23/09/0027
V.	Investment objective	<p>The investment objective of the scheme is to provide capital appreciation and income to investors in line with their retirement goals by investing in a mix of securities comprising of equity, equity related instruments, REITs and InvITs, and fixed income securities.</p> <p>However, there is no assurance that the investment objective of the scheme will be achieved. The Scheme does not guarantee/ indicate any returns.</p>
VI.	Liquidity / listing details	<p>The Scheme offers Units for Subscription / switch in and Redemption / switch out at NAV based prices on all Business Days on an ongoing basis, subject to completion of lock in period of 5 years.</p> <p>The AMC shall transfer the redemption proceeds within 3 business days from date of receipt of valid redemption request from the Unit holder (subject to completion of lock-in period).</p> <p>In case of exceptional circumstances as prescribed under paragraph 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023 and amended from time to time, redemption or repurchase proceeds shall be transferred / dispatched to Unitholders within the time frame prescribed for such exceptional circumstances.</p> <p>Currently the Units of the Scheme are not proposed to be listed on any stock exchange.</p>
VII.	Benchmark (Total Return Index)	<p>BSE 500 TRI</p> <p>As required under clause 1.9 of Master Circular dated May 19, 2023, the benchmark has been selected from amongst those notified by AMFI as the first tier benchmark to be adopted by mutual funds and which are reflective of the category of the scheme.</p> <p>The BSE 500 TRI consists of the top 500 companies listed at BSE Ltd., broadly representing the Indian market. The index covers all major industries in the Indian economy. The Scheme intends to invest in a portfolio of equity instruments diversified across market capitalisations and industries, which is best captured by BSE 500 TRI. Hence, it is an appropriate benchmark for the Scheme. The Total Return (TR) Version of the Index will be used for performance comparison.</p>
VIII.	NAV Disclosure	

		<p>The AMC will calculate and update the NAV of the Scheme on all the Business Days. The AMC shall update the NAVs on the website of the AMC (www.pgimindiamf.com) and of the Association of Mutual Funds in India – AMFI (www.amfiindia.com) before 11.00 p.m. on every Business Day.</p> <p>For further details, please refer Section II.</p>
IX.	Applicable Timelines	<p>Dispatch of redemption proceeds:</p> <p>The AMC shall dispatch the redemption proceeds within 3 business days from date of receipt of valid redemption request from the Unit holder.</p> <p>Dispatch of IDCW:</p> <p>The IDCW proceeds shall be remitted to the Unitholder within 7 business days from the record date.</p>
X.	<p>Plans & Options</p> <p>Plans/Options and sub options under the Scheme</p>	<p>The Scheme shall offer two plans viz. Regular Plan and Direct Plan.</p> <p>Direct Plan is only for investors who purchase /subscribe Units in the Scheme directly with the Fund and is not available for investors who route their investments through a Distributor and is offered in accordance with paragraph 2.5 of SEBI Master Circular for Mutual Funds dated May 19, 2023.</p> <p>Each Plan has two Options, viz., Growth Option and Payout of Income Distribution cum Capital Withdrawal facility (IDCW-Payout).</p> <p>Default Option/Facility:</p> <p>The investor must clearly specify his/her choice of Option/Facility in the application form, in the absence of which, the Default Option/Facility would be applicable and the application will be processed accordingly:</p> <p>Default Option: Growth Option (if the investor has not indicated choice between ‘Growth’ or ‘IDCW Option’).</p> <p>All plans/options under the Scheme shall have a common portfolio.</p> <p>Kindly refer SAI for detailed disclosure on:</p> <ol style="list-style-type: none"> i. Default plans and options; ii. Treatment of purchase/switch/ Systematic Investment Plans (SIPs)/ Systematic Transfer Plans (STPs) transactions received through distributors who are suspended temporarily or terminated permanently by AMFI. iii. Treatment of applications under “Direct” / “Regular” Plans; iv. Other updates
XI.	Load Structure	Exit Load:- NIL

XII.	Minimum Application amount / switch in	Initial Purchase/Switch-In – Minimum of Rs. 5,000/- and in multiples of Re.1/- thereafter.
XIII.	Minimum Additional Purchase amount	Additional Purchase - Minimum of Rs.1,000/- and in multiples of Re.1/- thereafter.
XIV.	Minimum Redemption / switch out amount	Redemption / Switch out – Minimum of Rs. 1,000/- and in multiples of Re.1/- thereafter or account balance whichever is lower.
XV.	New Fund Offer Period This is the period during which a new scheme sells its units to the investors.	Not Applicable. The Scheme is open on an ongoing basis for subscription/ redemption at NAV based prices.
XVI.	New Fund Offer Price This is the price per unit that the investors have to pay to invest during the NFO	Not Applicable The Scheme is open on an ongoing basis for subscription/ redemption at NAV based prices.
XVII.	Segregated portfolio/side pocketing disclosure	The AMC has a written down policy on Creation of segregated portfolio which is approved by the Trustees. Creation of Segregated Portfolio shall be subject to guidelines specified by SEBI from time to time. Creation of Segregated portfolio is optional and is at the discretion of the AMC. Currently, there is no segregated portfolio created in the Scheme. For details, on writeup of Segregated portfolio kindly refer SAI.
XVIII	Swing pricing disclosure	Not Applicable, as scheme is a Solution Oriented Scheme.
XIX	Stock lending/short selling	The Scheme has enabling provision for stock lending / short selling For details on stock lending and short selling, kindly refer SAI.
XX	How to Apply and other details	Investor can obtain application form / Key Information Memorandum (KIM) from AMC branch offices, Investor services centers and RTA's (Kfin) branch office. Investors can also download application form / Key Information Memorandum (KIM) from our website (www.pgimindiamf.com). The list of the Investor Service Centres (ISCs)/Official Points of Acceptance (OPAs) of the Mutual Fund is available on the website of the AMC. i.e. www.pgimindiamf.com Please refer to the SAI and Application form for the instructions. For further details, please refer Section II.
XXI.	Investor services	Investors may make any service request or complaints or enquiries by calling the AMC's Investor Helpline "1800 266 7446 " (toll-free) or send an e-mail to care@pgimindia.co.in

		<p>The customer service representatives may require personal information of the customer for verification of the customer's identity in order to protect confidentiality of information. The AMC will at all times endeavour to handle transactions efficiently and to resolve any grievances promptly. For any queries / complaints / feedbacks investors may contact:</p> <p>Mr. Ranjit Venugopal, PGIM India Mutual Fund Investor Relations Officer 1 D, First Floor, Century Plaza No. 560/561 - Anna Salai, Teynampet Chennai – 600018.</p> <p>Tel: +91-44-40745800</p>
XXII	Specific attribute of the scheme (such as lock in, duration in case of target maturity scheme/close ended schemes) (as applicable)	<p>Compulsory lock in period:</p> <p>PGIM India Retirement Fund is categorized as an open ended retirement solution oriented fund. The Scheme shall have a compulsory lock-in period of 5 years or till retirement age of 60 years, whichever is earlier.</p> <p>The lock in period is also applicable when investor moves out of the PGIM India Retirement Fund to any other scheme within the fund house, before the mandatory lock in period of 5 years or retirement age, whichever is earlier.</p> <p>Transfer-out of the scheme shall be allowed subject to 5 years lock in period from the date of allotment of units or attainment of retirement age of 60 years, whichever is earlier), subject to exit load, if any.</p>
XXIV.	Special product/facility available during the NFO and on ongoing basis	<p>The Special Products / Facilities available on an ongoing basis are as follows:</p> <ol style="list-style-type: none"> i. Systematic Investment Plan (SIP) ii. Top-up facility under Systematic Investment Plan iii. Systematic Investment Plan ('SIP') Pause Facility iv. Systematic Transfer Plan (STP) v. Systematic Withdrawal Plan (SWP) vi. Facility to transact in the Scheme through MF Utility Portal vii. Facility to Purchase/Redeem Units of the Scheme(s) through Stock Exchange(s) viii. Application / Request Through Fax / Online Transactions <p>For further details of above special products / facilities, kindly refer SAI.</p>
XXV	Weblink	<p>Weblink for TER for last 6 months, Daily TER and Scheme Factsheet:</p> <p>TER (Last 6 months and daily TER): https://www.pgimindiamf.com/statutory-disclosure/portfolio-related/expense-ratio</p>

		Scheme Factsheet: https://www.pgimindiamf.com/forms-and-updates/fund-factsheet
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DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

- (i) The Scheme Information Document submitted to SEBI is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time;
- (ii) All legal requirements connected with the launching of the Scheme and also the guidelines, instructions, etc., issued by the Government and any other competent authority in this behalf, have been duly complied with;
- (iii) The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the scheme;
- (iv) The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registration is valid, as on date.
- (v) The contents of the Scheme Information Document including figures, data, yields etc. have been checked and are factually correct.
- (vi) A confirmation that the AMC has complied with the compliance checklist applicable for Scheme Information Documents and other than cited deviations/ that there are no deviations from the regulations.
- (vii) Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.
- (viii) The Trustees have ensured that PGIM India Retirement Fund approved by them is a new product offered by PGIM India Mutual Fund and is not a minor modification of any existing scheme/fund/product.

Place: Mumbai
Date: June 26, 2024

Name : Sandeep Kamath
Designation : Head - Compliance & Legal

Part II. INFORMATION ABOUT THE SCHEME

A. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

The asset allocation in the Scheme under normal circumstances will be as follows:

Instruments	Indicative allocations (% of total assets)	
	Minimum	Maximum
Equity & equity related instruments	75%	100%
Debt Securities and Money Market Instruments, including cash, Triparty Repo and equivalent and units of mutual funds	0%	25%
Units issued by REITs and InVITs	0%	10%

The Scheme may have exposure in the following:-

Indicative Table: (Actual instrument/percentages may vary subject to applicable SEBI circulars)

Sr. No.	Type of Instrument	Percentage of exposure	Circular references
1.	Derivatives	<p>The Maximum exposure to derivatives shall not exceed 25% of net assets of the scheme.</p> <p>The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under SEBI (Mutual Funds) Regulations from time to time. However, the exposure to short positions in the scheme using stock or index derivatives shall be only for hedging purposes.</p>	Paragraph 12.25 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
2.	Securitised Debt	If the Scheme decides to invest in securitised debt, such investments will not, exceed 20% of the net assets of the scheme.	Paragraph 12.15 of SEBI Master Circular for Mutual Funds dated May 19, 2023.

3.	Debt Instruments having SO / CE	The scheme may invest in debt instruments having structured obligations / credit enhancements which shall not exceed 10% of the debt portfolio of the scheme and group exposure in such instruments shall not exceed 5% of the debt portfolio of the scheme.	Paragraph 12.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023
4.	Credit Default Swaps	The Scheme may invest in Credit Default Swaps (CDS)	Paragraph 12.28 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
5.	Repo/ reverse repo transactions in corporate debt securities	The scheme may participate in corporate bond repo transactions. Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the scheme	Paragraph 12.18.1.1 of the SEBI Master Circular for Mutual Funds dated May 19, 2023.
6.	AT1 and AT2 Bonds	The Scheme doesn't intend to invest in debt instruments including Tier 1 bonds and Tier 2 bonds issued under Basel III framework with special features viz. subordination to equity (absorbs losses before equity capital) and /or convertible to equity upon trigger of a prespecified event for loss absorption.	-
6.	Overseas Securities	The scheme does not intend to invest in foreign securities.	-
7.	Other / Own Mutual Fund	The scheme may invest in the units of Mutual Fund Schemes. Such investment shall not exceed 5% of the net asset value of the Fund.	Clause 4 of Seventh Schedule of SEBI (Mutual Funds) Regulations, 1996.
8.	Securities Lending & Borrowing	The scheme may also engage in securities lending; provided however that the Scheme shall not deploy more than 20% of its net assets in securities	Paragraph 12.11 of SEBI Master Circular for Mutual Funds dated May 19, 2023

		lending, and a single intermediary exposure shall not exceed 5% of the net assets of the Scheme.	
9.	Short Selling	The Scheme may engage in short selling of Securities in accordance with Paragraph 12.11 of SEBI Master Circular for Mutual Funds dated May 19, 2023.	Paragraph 12.11 of SEBI Master Circular for Mutual Funds dated May 19, 2023
10.	Securitized Debt	The Scheme may invest in securitized debt up to 35% of the net assets.	Paragraph 12.15 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
11.	ReITs and InVITs	The scheme may invest upto 10% of the net assets in units of REITs and INVITs and not more than 5% of the net assets of the Scheme will be invested in REITs and INVITs of any single issuer.	Paragraph 12.21 of SEBI Master Circular for Mutual Funds dated May 19, 2023.

In terms of paragraph 12.24 of SEBI Master Circular for Mutual Funds dated May 19, 2023, the cumulative gross exposure through equity, debt, money market instruments and derivative positions, repo transactions in corporate debt securities and other permitted securities/assets and such other securities/assets as may be permitted by the Board from time to time shall not exceed 100% of the net assets of the scheme.

Pending deployment of funds of the Scheme in securities in terms of the investment objective of the Scheme the AMC may park the funds of the Scheme in short term deposits of scheduled commercial banks, subject to the guidelines specified in paragraph 12.16 of SEBI Master Circular for Mutual Funds dated May 19, 2023, as amended from time to time. The Scheme will comply with the following guidelines/restrictions for parking of funds in short term deposits:-

- a. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- b. Such short-term deposits shall be held in the name of the Scheme.
- c. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with the approval of the Trustee.
- d. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- e. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
- f. The Scheme shall not park funds in short-term deposit of a bank which has invested in the said Scheme. Further Trustees/AMC shall also ensure that a bank in which scheme has short term deposit does not invest in the Scheme until the Scheme has short term deposits with such bank.
- g. AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

However, the above provisions will not apply to term deposits placed as margins for trading in cash and derivatives market.

Overseas Investments by the Scheme:

According to paragraph 12.19 of SEBI Master Circular for Mutual Funds dated May 19, 2023, mutual funds can invest in certain permissible foreign securities.

As per paragraph 12.19.1 of SEBI Master Circular for Mutual Funds dated May 19, 2023, overseas investments are subject to an overall limit of US\$ 7 billion for all mutual funds put together. The Mutual Funds have been allowed an individual limit of US\$ 1 billion for overseas investments. The Scheme may, with the approval of SEBI/ RBI invest in foreign securities as specified by SEBI. The overall ceiling for investment in overseas ETFs that invest in securities is US \$ 1 billion subject to a maximum of US \$ 300 million per mutual fund.

The AMC is allowed to invest in overseas securities upto 20% of the average Asset Under Management ('AUM') in overseas securities of the previous three calendar months subject to maximum limit of USD 1 billion per Mutual Fund. The above limits shall be considered as soft limits for the purpose of reporting only by Mutual Funds on monthly basis as per paragraph 12.19.1.3(d) of SEBI Master Circular for Mutual Funds dated May 19, 2023.

The Mutual Fund may, where necessary will appoint intermediaries as sub-managers, sub-custodians, etc. for managing and administering such investments. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses.

Portfolio Rebalancing:

In accordance with paragraph 2.9 of SEBI Master Circular for Mutual Funds dated May 19, 2023, in case of deviation from the mandated asset allocation due to passive breaches (occurrence of instances not arising out of omission and commission of AMCs), the portfolio would be rebalanced within 30 business days from the date of deviation. Where the portfolio is not rebalanced within 30 business days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee, if so desires, can extend the timelines up to sixty (60) business days from the date of completion of mandated rebalancing period. However, at all times, the portfolio will adhere to the overall investment objective of the scheme.

In case the portfolio of schemes is not rebalanced within the aforementioned mandated plus extended timelines, AMCs shall:

- i. not be permitted to launch any new scheme till the time the portfolio is rebalanced.
- ii. not to levy exit load, if any, on the investors exiting such scheme(s).

Short term defensive consideration:

Due to market conditions, the AMC may invest beyond the range set out in the asset allocation. Such deviations shall normally be for a short term and defensive considerations in line with paragraph 1.14.1.2(b) of SEBI Master Circular for Mutual Funds dated May 19, 2023 and the fund manager will rebalance the portfolio within 30 calendar days from the date of deviation.

B. WHERE WILL THE SCHEME INVEST?

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- 1) Indian Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares.

- 2) Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- 3) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- 4) Repos of Corporate debt securities.
- 5) Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- 6) Corporate debt securities (of both public and private sector undertakings)
- 7) Securities issued by banks (both public and private sector) as permitted by SEBI from time to time and development financial institutions
- 8) Money market instruments permitted by SEBI, having maturities of up to one year, or in alternative investment for the call money market.
- 9) Certificate of Deposits (CDs)
- 10) Tri -Party Repo (TREPS)
- 11) Commercial Paper (CPs)
- 12) The non-convertible part of convertible securities
- 13) Securitised Debt, Debt instruments having structured obligations / credit enhancements, Credit Default Swaps (CDS)
- 14) Investment in units of Real Estate Investment Trust ('REIT') & Infrastructure Investment Trust ('InvIT')
- 15) Derivative instruments like, Stock / Index Futures, Stock / Index Options and such other derivative instruments permitted by SEBI.
- 16) Cash & cash equivalents
- 17) Schemes managed by the AMC or the schemes launched by SEBI registered Mutual Funds, provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations.
- 18) Any other instruments, as may be permitted by RBI / SEBI / such other Regulatory Authority, from time to time, subject to Regulatory approvals.

The securities mentioned above could be listed or permitted unlisted, privately placed, secured or unsecured, rated or un-rated and of any maturity, as enabled under SEBI Regulations/ circulars/ RBI. The securities may be acquired from primary market/ Initial Public Offer (IPO), secondary market operations, private placement or negotiated deals.

C. WHAT ARE THE INVESTMENT STRATEGIES?

The total assets of the Scheme will be invested primarily in equity and equity related instruments. The portfolio will be diversified across sectors. The portfolio is expected to have minimum 25% allocation towards large cap, midcap and small cap segments of the market respectively under normal circumstances. Companies with long term growth potential and sustainable business models are preferred. The portfolio is built utilizing a combination of the top-down and bottom-up portfolio construction process, focusing on the fundamentals of each stock, including quality of management and prevailing valuations.

The Scheme shall primarily use a bottom-up approach to identify companies with sound management and good growth prospects and a top-down approach for macro and thematic analysis. The fund manager(s) would select companies with stable or high growth with due consideration to valuation. The fund manager(s) would consider a range of quantitative and qualitative factors such as company's business prospects, historical and present financial condition, capital allocation efficiency, operating cash flows, leverage position, valuation metrics, competitive edge, brand equity, strength of management and good corporate governance practices among others.

The scheme may also invest in turn-around companies based on Fund manager's view. All investments would be subject to regulatory limits for stock and sector weightages.

DERIVATIVE STRATEGIES

The Scheme may invest in various derivative instruments which are permissible under the applicable regulations. Such investments shall be subject to the investment objective and strategy of the Scheme and the internal limits if any, as laid down from time to time. These include but are not limited to futures (both stock and index) and options (stock and index). Derivatives are financial contracts of pre-determined fixed duration, whose values are derived from the value of an underlying primary financial instrument such as interest rates, exchange rates, commodities and equities. There are several advantages in using derivatives in the portfolio. The use of derivatives provides flexibility to the Scheme to hedge whole or part of the portfolio.

The risks associated with derivatives are similar to those associated with underlying investments. The additional risks of using derivative strategies could be on account of:

- Illiquidity;
- Potential mispricing of the Futures/Options;
- Lack of opportunity;
- Inability of derivatives to correlate perfectly with the underlying (Indices, Assets, Exchange Rates);
- Cost of hedge can be higher than adverse impact of market movements;
- An exposure to derivatives in excess of the hedging requirements can lead to losses;
- An exposure to derivatives can also limit the profits from a genuine investment transaction.
- The prices which are seen on the screen need not be the same at which execution will take place.

For detailed risks associated with use of derivatives, please refer paragraph “Scheme Specific Risk Factors”

For further details regarding concepts and examples of derivatives that may be used by the fund manager, please refer to SAI.

Securitisation – Concept

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. A typical process of asset securitisation involves sale of specific Receivables to a Special Purpose Vehicle (SPV) set up in the form of a trust or a company. The SPV in turn issues financial instruments (e.g., promissory notes, pass through certificates or other debt instruments) to investors, such instruments evidencing the beneficial ownership of the investors in the Receivables. The financial instruments are rated by an independent credit rating agency. An Investor’s Agent is normally appointed for providing trusteeship services for the transaction.

On the recommendation of the credit rating agency, additional credit support (Credit Enhancement) may be provided in order that the instrument may receive the desired level of rating. Typically the servicing of the Receivables is continued by the seller in the capacity of the Servicer. Cash flows, as and when they are received, are passed onto the investors.

Risk Control

Since investing requires disciplined risk management, the AMC would incorporate adequate safeguards for controlling risks in the portfolio construction process.

The risk control process involves reducing risks through portfolio diversification, taking care however not to dilute returns in the process. The AMC believes that this diversification would help achieve the desired level of consistency in returns. Stock specific risk will be minimized by investing only in those companies that have been analyzed by the Investment Team at the AMC. For investments in debt

securities, the AMC aims to identify securities, which offer superior levels of yield at lower levels of risks. With the aim of controlling risks, rigorous and in-depth credit evaluation of the securities proposed to be invested in, will be carried out by the investment team of the AMC. Rated Debt instruments in which the Scheme invests will be of investment grade as rated by a credit rating agency. The AMC will be guided but not limited by the ratings of Rating Agencies such as CRISIL, CARE, ICRA and Fitch or any other rating agencies that may be registered with SEBI from time to time. In case a debt instrument is not rated, investment will be in accordance with Guidelines approved by the Board.

The Scheme may also use various derivatives and hedging products from time to time, as would be available and permitted by SEBI, in an attempt to protect the value of the portfolio and enhance Unitholders’ interest.

Portfolio Turnover

The Scheme is an open-ended scheme. It is expected that there would be a number of subscriptions and redemptions on a daily basis (subject to completion of lock-in period). Consequently, it is difficult to estimate with any reasonable measure of accuracy, the likely turnover in the portfolio.

D. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

Benchmark (Total Returns Index): BSE 500 TRI. As required under clause 1.9 of Master Circular dated May 19, 2023, the benchmark has been selected from amongst those notified by AMFI as the first tier benchmark to be adopted by mutual funds and which are reflective of the category of the scheme.

The BSE 500 TRI consists of the top 500 companies listed at BSE Ltd., broadly representing the Indian market. The index covers all major industries in the Indian economy. The Scheme intends to invest in a portfolio of equity instruments diversified across market capitalisations and industries, which is best captured by BSE 500 TRI. Hence, it is an appropriate benchmark for the Scheme. The Total Return (TR) Version of the Index will be used for performance comparison.

The Trustee/AMC reserves the right to change the benchmark for evaluating the performance of the Scheme from time to time, in conformity with the investment objective of the Scheme and the appropriateness of the benchmark, subject to SEBI guidelines and other prevalent guidelines.

E. WHO MANAGES THE SCHEME?

Mr. Vinay Paharia is the equity fund manager for the scheme and Mr. Puneet Pal is the debt and REITs & InVITs fund manager for the scheme.

Name & Designation & Tenure in managing scheme	Age / Educational Qualifications	Brief Experience	Name of other Schemes under his management
Mr. Vinay Paharia (Equity Portion) Chief Investment Officer	Age: 44 years Qualification: B.Com. and M.M.S	Collectively over 20 years of experience in Indian financial markets, primarily in equity research & Fund Management: <ul style="list-style-type: none"> January 27, 2023 onwards- PGIM India Asset Management Pvt Ltd. - Chief Investment Officer 	PGIM India Flexi Cap Fund, PGIM India Large Cap Fund, PGIM India Hybrid Equity Fund, PGIM India Equity Savings Fund, PGIM India ELSS Tax Saver Fund, PGIM

Name & Designation & Tenure in managing scheme	Age / Educational Qualifications	Brief Experience	Name of other Schemes under his management
Tenure in managing scheme: Managing from April 15, 2024		<ul style="list-style-type: none"> April 2018 to January 2023 – Union Asset Management Company Ltd. Last Position Held - Chief Investment Officer January 2007 to March 2018 – Invesco Asset Management Company Ltd. Last Position Held - Fund Manager - Equity. 	India Balanced Advantage Fund, PGIM India Small Cap Fund, PGIM India Large and Mid Cap Fund and PGIM India Midcap Opportunities Fund
Mr. Puneet Pal (Debt and REITs & InVITs Portion) Head – Fixed Income Tenure in the managing scheme: Managing from April 15, 2024	Age: 47 years Qualification: MBA (Finance) from Symbiosis Institute of Business Management, Pune	More than 20 years of experience in the Debt markets within the Mutual Fund space. Below are details on his past stints: <ul style="list-style-type: none"> December 01, 2021 onwards – Head – Fixed Income - PGIM India Asset Management Private Limited December 13, 2017 to November 30, 2021 - Deputy Head - Fixed Income - PGIM India Asset Management Private Limited February 2012 to December 12, 2017 - Head - Fixed Income - BNP Paribas Asset Management India Pvt. Ltd. July 2008 to February 2012 - Sr. Vice President & Fund Manager - UTI Asset Management Company Ltd. August 2006 to July 2008 - Fund Manager - Tata Asset Management Ltd. April 2004 to August 2006 - Asst. Fund Manager - UTI Asset Management Company Ltd. June 2001 to March 2004 - Dealer - UTI Asset Management Company Ltd 	PGIM India Flexi Cap Fund, PGIM India Small Cap Fund, PGIM India Arbitrage Fund, PGIM India Equity Savings Fund, PGIM India Hybrid Equity Fund and PGIM India Balanced Advantage Fund, PGIM India Large and Mid Cap Fund and PGIM India Midcap Opportunities Fund (Debt Portion) PGIM India Money Market Fund, PGIM India Ultra Short Duration Fund, PGIM India Liquid Fund, PGIM India Corporate Bond Fund, PGIM India Overnight Fund, PGIM India Dynamic Bond Fund, PGIM India Gilt Fund and PGIM India CRISIL Gilt Index - Apr 2028 Fund (Jointly with Mr. Bhupesh Kalyani)

F.HOW IS THE SCHEME DIFFERENT FROM EXISTING SCHEMES OF THE MUTUAL FUND?

This is a new Scheme under the Solution Oriented category and there are no other existing schemes for differentiating the Scheme proposed to be launched. Hence, the same is not applicable. Please refer to <https://www.pgimindiamf.com/statutory-disclosure/sid-kim-sai-related-disclosures>.

G. HOW HAS THE SCHEME PERFORMED?

The Scheme, being a new fund, does not have any performance track record.

H. ADDITIONAL SCHEME RELATED DISCLOSURES

1. **Scheme's Portfolio (top 10 holdings by issuer and fund allocation towards various sectors):**
 - **Top 10 holdings by issuer:** Not Applicable
 - **Fund allocation towards various sectors:** Not applicable
2. **Portfolio Disclosure (monthly and half yearly):** <https://www.pgimindiamf.com/statutory-disclosure/financials>
3. **Portfolio turnover ratio of the Scheme as on May 31, 2024:** Not Applicable
4. **Aggregate investment in the Scheme by Fund Managers as on May 31, 2024:** Not Applicable
5. **Investments of AMC in the Scheme:**

The AMC may invest in the Scheme, subject to the Regulations and to the extent permitted by its Board from time to time. As per the existing Regulations, the AMC will not charge investment management and advisory fee on the investment made by it in the Scheme.

Please refer <https://www.pgimindiamf.com/statutory-disclosure/financials> for Investments of AMC in the Scheme.

Part III - OTHER DETAILS

A. COMPUTATION OF NAV

NAV of Units under the Scheme will be calculated by following method:

NAV (Rs.) =	Market or Fair Value of Scheme's investments + Current Assets - Current Liabilities and Provisions
	No. of Units outstanding under the Scheme

The numerical illustration of the above method is provided below:

Market or Fair Value of Scheme's investment (Rs.) = 1,15,12,05,600.00

Current Assets (Rs.) = 60,00,000.00

Current Liabilities (Rs.) = 40,00,000.00

No of units Outstanding under the scheme = 10,00,00,000

$$\text{NAV Per Unit (Rs.)} = \frac{115,12,05,600 + 60,00,000 - 40,00,000}{10,00,00,000} = 11.53$$

The NAV per unit above is rounded off to two decimals. However the AMC reserves the right to declare the NAVs up to additional decimal places as it deems appropriate. Separate NAV will be calculated and disclosed for each Plan/Option. The AMC will calculate and disclose the NAV of the Scheme on all the Business Days.

The valuation of the Scheme’s assets and computation of the Scheme’s NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

The aforesaid provision pertaining to “ Calculation of NAV” shall apply in respect of each individual scheme and / or plan as the case may be.

The NAV will be calculated as of the close of every Business Day.

Foreign Exchange conversion

On the valuation day, all assets and liabilities in foreign currency will be valued in Indian Rupees at the RBI reference rate as at the close of banking hours on that day in India. The Trustees reserve the right to change the source for determining the exchange rate at a future date after recording the reason for such change.

Methodology for calculation of sale and re-purchase price of the units of mutual fund scheme:

<p>Ongoing price for subscription (purchase)/ switch-in (from other Schemes of the Mutual Fund) by investors.</p> <p>This is the price you need to pay for purchase /switch-in.</p>	<p>At the applicable NAV.</p> <p>Ongoing Price for subscription = Applicable NAV*(1+ Entry Load, (if any))</p> <p>Example: If the Applicable NAV is Rs.10, Entry Load is 0% then sales price will be = Rs. 10* (1+0) = Rs. 10</p>
<p>Ongoing price for redemption (sale) /switch outs (to other schemes of the Mutual Fund) by investors.</p> <p>This is the price you will receive for redemptions/switch outs.</p>	<p>At the applicable NAV, subject to prevailing exit load and lock in period.</p> <p>Redemption Price = Applicable NAV*(1- Exit Load, (if any))</p> <p>Example: If the Applicable NAV is Rs.10, Exit Load is 1% then redemption price will be = Rs. 10* (1-0.01) = Rs. 9.90</p>

The Redemption Price will not be lower than 95% of the NAV or as permitted / prescribed under the SEBI Regulations from time to time.

For other details such as policies w.r.t computation of NAV, rounding off, investment in foreign securities, procedure in case of delay in disclosure of NAV etc. Kindly refer SAI.

B. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc. all such expenses are borne by the AMC.

C. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the Scheme. These expenses include the Investment Management and Advisory Fee charged by the AMC, Registrar and Transfer Agents' Fee, marketing and selling costs etc. as given below:

The AMC has estimated that up to 2.25 % of the daily net assets of the scheme will be charged to the scheme as expenses.

Operating & recurring expenses under regulation 52 (6) & 52 (6A):

- a) The total expense ratio that can be charged to the Scheme, excluding issue or redemption expenses, whether initially borne by the mutual fund or by the AMC, but including the investment management and advisory fee shall be as follows:

Assets under management Slab (In Rs. crore)	Total expense ratio limits for equity oriented schemes
on the first Rs.500 crores of the daily net assets	2.25%
on the next Rs.250 crores of the daily net assets	2.00%
on the next Rs.1,250 crores of the daily net assets	1.75%
on the next Rs.3,000 crores of the daily net assets	1.60%
on the next Rs.5,000 crores of the daily net assets	1.50%
On the next Rs.40,000 crores of the daily net assets	Total expense ratio reduction of 0.05% for every increase of Rs.5,000 crores of daily net assets or part thereof
On balance of the assets	1.05%

- b) In addition to the annual recurring expenses stated in (a) above, the following costs or expenses may be charged to the Scheme:-
- i. Brokerage and transaction cost incurred for the purpose of execution shall be charged to the schemes as provided under Regulation 52 (6A) (a) upto 0.12 percent and 0.05 per cent for cash market transactions and derivatives transactions respectively. Any payment towards brokerage & transaction costs, over and above the said 0.12 per cent and 0.05 per cent for cash market transactions and derivatives transactions respectively may be charged to the Scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996.
 - ii. Additional Expenses not exceeding of 0.30 per cent of daily net assets of the schemes, if the new inflows from beyond top 30 cities (as per SEBI Regulations /Circulars/ AMFI data) are at least (i) 30 per cent of gross new inflows from retail investors* in the scheme, or (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher. Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis.

**Inflows of amount upto Rs 2,00,000/- per transaction, by individual investors shall be considered as inflows from "retail investors".*

The additional expenses charged under this clause shall be utilised for distribution expenses incurred for bringing inflows from such cities. Provided further that amount incurred as additional expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment.

Note: Pursuant to the directions received from SEBI vide its letter no. SEBI/HO/IMD-SEC-3/P/OW/2023/5823/1 dated February 24, 2023 read along with AMFI communication dated March 02, 2023, w.e.f March 01, 2023 no additional expense shall be charged on the new inflows received on or after March 01, 2023 from specified cities as per Regulation 52 (6A) (b) till any further guidance is received from SEBI in this regard.

- iii. Additional expenses not exceeding 0.05 per cent of daily net assets of the scheme, towards the investment and advisory fees or various other permissible expenses; (It may be noted that these expenses will not be charged in case the scheme does not charge an exit load)

Within such total recurring expenses charged to the Scheme as above, the investment management and advisory fee (charged as a percentage of daily net assets) would be as decided by the AMC from time to time, provided that the investment management and advisory fee shall not exceed the aggregate of expenses charged under clause (a) and (b) (iii) above.

In terms of paragraph 10.1.16 of SEBI Master Circular for Mutual Fund dated May 19, 2023, the AMC shall annually set apart at least 0.02% on daily net assets within the maximum limit of recurring expenses as per Regulation 52 for investor education and awareness initiatives.

The maximum annual recurring expenses of the Scheme including the investment management and advisory fee (together with additional management fee wherever applicable) shall not exceed the limit stated in Regulation 52 read with paragraph 10.1 of SEBI Master Circular for Mutual Fund dated May 19, 2023, as explained above.

Goods and Services tax (GST):-

- AMC may charge GST on investment and advisory fees of the Scheme in addition to the maximum limit of TER as per the Regulation 52(6) and (6A).
- GST on expenses other than investment and advisory fees: AMC may charge GST on expenses other than investment and advisory fees of the Scheme, if any within the maximum limit of TER as per the Regulation under 52(6) and (6A).
- GST on brokerage & transaction cost: GST on brokerage and transaction costs which are incurred for the purpose of execution of trade, will be within the limit of expenses as per the Regulation 52(6) and (6A). Further, the Goods and Services tax on exit load, if any, shall be paid out of the exit load proceeds and the exit load net of Goods and Services tax, if any, shall be credited back to the scheme.

All fees and expenses charged in the Direct Plan (in percentage terms) under various heads including the investment and advisory fee shall not exceed the fees and expenses charged under the Regular Plan. The Direct Plan under the Scheme shall have a lower expense ratio as compared to the Regular Plan. Commission/ Distribution expenses will not be charged in case of Direct Plan. The Direct Plan shall also have separate NAV. For the actual current expenses being charged, the investor may refer to the website of the Mutual Fund (www.pgimindiamf.com). Further, the disclosure of Total Expense Ratio (TER) on a daily basis shall also be made on the website of AMFI (www.amfiindia.com). The Mutual Fund would update the expense ratios on the website at least three business days prior to the effective date of the change. Additionally, TER is also available on website <https://www.pgimindiamf.com/statutory-disclosure/portfolio-related/expense-ratio>.

The AMC has estimated the following total expenses for the first Rs. 500 Crores of the daily net assets of the Scheme:-

Expense Head	% of daily Net Assets
Investment Management and Advisory Fees	Upto 2.25%
Trustee fee	
Audit fees	
Custodian fees	
RTA Fees	
Marketing & Selling expense incl. agent commission	
Cost related to investor communications	
Cost of fund transfer from location to location	
Cost of providing account statements and IDCW redemption cheques and warrants	
Costs of statutory Advertisements	
Cost towards investor education & awareness (at least 2 bps)	
Brokerage & transaction cost over and above 12 bps for cash market trades and 5 bps for derivatives transactions	
Goods and Services tax on expenses other than investment and advisory fees	
Goods and Services tax on brokerage and transaction cost	
Other Expenses*	
Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c)	Upto 2.25%
Additional expenses under regulation 52 (6A) (c)	Upto 0.05% **
Additional expenses for gross new inflows from beyond top 30 cities	Upto 0.30%

*Any other expenses which are directly attributable to the Scheme, except those expenses which are specifically prohibited, may be charged with the approval of the Trustee within the overall limits specified in the SEBI (Mutual Funds) Regulations.

** It may be noted that these expenses will not be charged in case the scheme does not charge an exit load.

The purpose of the above table is to assist the investor in understanding the various costs & expenses that an investor in the Scheme will bear directly or indirectly. The above expenses (including Investment Management and Advisory Fees) are subject to inter-se change and may increase/decrease as per actual and/or any change in the Regulations. All types of expenses charged to the Scheme shall be in accordance with the SEBI (MF) Regulations.

The entire exit load (net of Goods and services tax), charged, if any, shall be credited to the Scheme.

Illustration of impact of expense ratio on scheme's returns

Particulars	Regular Plan	Direct Plan
Amount Invested at the beginning of the year (in Rs.)	10,000.00	10,000.00
Returns after Brokerage and Transaction Cost but before other expenses and Investment Management and Advisory Fees (in Rs.)	1,000.00	1,000.00
Returns after Brokerage and Transaction Cost but before other expenses and Investment Management and Advisory Fees (%)	10.00%	10.00%
Distribution Expenses (in Rs.)	150.00	0.00
Expenses other than Distribution Expenses (in Rs.)	20.00	20.00
Investment Management and Advisory Fees (in Rs.)	60.00	60.00
Returns after Brokerage and Transaction Cost ,other expenses and Investment Management and Advisory Fees (in Rs.)	770.00	920.00

The present illustration is calculated pursuant to the requirements of paragraph 5.8.2.2 of SEBI Master Circular for Mutual Fund dated May 19, 2023. The purpose of an illustration is to purely explain the impact of expense ratio charged to the Scheme and should not be construed as providing any kind of investment advice or guarantee of returns on investments. Actual returns on your investment may be more, or less. The expenses of the Direct Plan under the Scheme will be lower to the extent of distribution expenses/commission. The NAVs published by the AMC are net of scheme expenses and they reflects return on investment to investors, provided investment is not subject to exit load. Any tax impact has not been considered in the above example, in view of the individual nature of the tax implications. Each investor is advised to consult his or her own financial advisor.

D. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. Load amounts are variable and are subject to change from time to time.

The load structure of the Scheme is as follows:

Type of Load	Load chargeable (as % age of NAV)
Exit	NIL

The AMC/Trustee reserves the right to change / modify the Load structure of the Scheme, subject to maximum limits as prescribed under the Regulations.

Any change in the load structure shall be applicable on prospective investments only. For any change in load structure, the AMC will issue an addendum and display it on its Website (www.pgimindiamf.com) and Investor Service Centers. The addendum will also be circulated to all the distributors / brokers, so that the same can be attached to all SIDs and Key Information Memorandum in stock till the same is updated and reprinted. The AMC would make arrangements to display the addendum to the SID in the form of a notice at all the Investor Service Centers. The change in the Exit Load would be disclosed in statement of accounts issued after the introduction of such load. Any other measures which the Mutual Fund may feel necessary would be undertaken.

The investors are requested to check the prevailing load structure of the Scheme before investing. For the current applicable exit load structure, please refer to the website of the AMC (www.pgimindiamf.com) or may call at 1800 266 7446 (toll free no.) or your distributor.

Section II

I. Introduction

A. Definitions/interpretation

For detailed description please click the link: <https://www.pgimindiamf.com/statutory-disclosure/sid-kim-sai-related-disclosures>

B. Risk Factors

i. Standard Risk Factors:

- Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal;
- As the price/value/interest rates of the securities in which the Scheme invests fluctuates, the value of your investment in the Scheme may go up or down;
- Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme;
- The name of the Scheme does not in any manner indicate either the quality of the scheme or its future prospects and returns;
- Save as otherwise provided in the Regulations, the Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond the initial contribution of Rs.100,000/- made by it towards setting up the Fund;
- The present Scheme is not guaranteed or assured return schemes.

ii. SCHEME SPECIFIC RISK FACTORS

Some of the Scheme specific risk factors include, but not limited, to the following:-

1. Risks associated with investments in Equities

- Due to lock-in requirements under the Scheme, the ability of the unit holders to redeem units and realise returns is subject to the completion of the said lock in period.
- Equity and equity related securities may be volatile and hence are prone to price fluctuations on a daily basis. The liquidity of investments made in the Scheme may be restricted by trading volumes and settlement periods. Settlement periods may be extended significantly by unforeseen circumstances. The inability of the Scheme to make intended securities purchases, due to settlement problems, could cause the Scheme to miss certain investment opportunities. Similarly, the inability to sell securities held in the Scheme portfolio would result at times, in potential losses to the Scheme, should there be a subsequent decline in the value of securities held in the Scheme portfolio. Also, the value of the Scheme investments may be affected by interest rates, currency exchange rates, changes in law / policies of the government, taxation laws and political, economic or other developments which may have an adverse bearing on individual securities, a specific sector or all sectors.

- Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity Schemes unless they can afford to take the risk of losing their investment.

2. Risk associated with investing in Fixed Income Securities

- **Interest Rate Risk:** Market value of fixed income securities is generally inversely related to interest rate movement. Accordingly, value of portfolio of the scheme may fall if the market interest rate rise and may appreciate when the market interest rate comes down.
- **Credit Risk:** - This is risk associated with default on interest and /or principal amounts by issuers of fixed income securities. In case of a default, scheme may not fully receive the due amounts and NAV of the scheme may fall to the extent of default.
- **Spread Risk:** - Credit spreads on corporate bonds may change with varying market conditions. Market value of debt securities in portfolio may depreciate if the credit spreads widen and vice –versa. Similarly, in case of floating rate securities, if the spreads over the benchmark security / index widen, then the value of such securities may depreciate.
- **Liquidity Risk:** - Liquidity condition in market varies from time to time. In an environment of tight liquidity, necessity to sell securities may have higher than usual impact cost. Further, liquidity of any particular security in portfolio may lessen depending on market condition, requiring higher discount at the time of selling.
- **Counterparty Risk:** - This is the risk of failure of counterparty to a transaction to deliver securities against consideration received or to pay consideration against securities delivered, in full or in part or as per the agreed specification. There could be losses to the Scheme in case of a counterparty default.
- **Re-investment Risk:** - Investment in fixed income securities carries re-investment risk. Interest rates prevailing on the coupon payment or maturity date may differ from the purchase yield of the security. This may result in final realized yield to be lower than that expected at the time of purchase.
- The Scheme at times may receive large number of redemption requests, leading to an asset-liability mismatch and therefore, requiring the investment manager to make a distress sale of the securities leading to realignment of the portfolio and consequently resulting in investment in lower yield instruments.
- **Risks associated with unrated instruments:** - Investments in unrated instruments are subject to the risk associated with investments in any other fixed income securities, as referred above. However, investments in unrated instruments are considered to be subject to greater risk of loss of principal and interest than rated instruments.

3. Risk envisaged and mitigation measures for repo transactions :

- **Counterparty Risks** - Risks could arise if the Counterparty does not return the security (in a borrowing transaction) as contracted or pay interest (lending transaction) on the due date. This risk is largely mitigated, as the choice of counterparties is 'restricted' and their credit ratings and overall credit risk levels are taken into account before entering into such transactions.

- **Settlement Risks** - Operational risks are lower as such trades are settled on a DVP (Delivery versus Payment – Safe settlement) basis. The trades are settled on a bilateral basis in the OTC segment.
- **Collateral / Credit Risk** - In the event of the scheme being unable to pay back the money to the Counterparty as contracted, the counter party may dispose of the assets (as they have sufficient margin) and the net proceeds if any after such disposal may be refunded to the scheme. The value of the collateral will be monitored on a daily basis and shortfalls if any will lead to demand on the counterparty to top up collateral. In ability to comply with top up requests could lead to liquidation of security / collateral and an early / premature termination of the agreement.
- **Risk of Co-mingling** -Servicers normally deposit all payments received from the Obligors into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of the Servicer. If the Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally taken to ensure that the Servicer enjoys highest credit rating on standalone basis to minimize Co-mingling risk.

4. Risk associated with investments in Derivatives

- Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investors. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities as well as to manage risks arising thereby. Identification and execution of the strategies to be pursued by the Scheme involve uncertainty and investment decisions may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies. Derivative investments carry certain risks and issues arising out of such dealings. The risks associated with the use of derivatives - either for hedging or for portfolio balancing – are different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Certain other risks, one or more, that may arise consequent to use of derivatives are: risk of mis-pricing or improper valuation of derivatives, credit risk arising out of counterparty failing to honor its commitment, liquidity risk where the derivatives cannot be sold at prices that reflect the underlying assets, rates and indices, and price risk where the market price may move in adverse fashion. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to manage the risks as a result of the possible failure of the counterparty to comply with the terms of the derivative contract.
- To the extent that Derivatives are utilised to seek to achieve the investment objectives of the Scheme, and for purposes other than hedging, the overall risk of loss to the Scheme may be increased. To the extent that Derivatives are utilised for hedging purposes, the risk of loss to the Scheme may be increased where the value of the Derivative instrument and the value of the Security or position which it is hedging are insufficiently correlated.
- **Futures and Call Options:-** The Scheme may invest in Derivatives such as futures and call options. The option buyer's risk is limited to the premium paid, while the risk of an option writer is unlimited. However the gains of an option writer are limited to the premiums earned. The writer of a call option bears a risk of loss if the value of the underlying asset increases above the exercise price. The loss can be unlimited as the

underlying asset can increase to any level. The writer of a put option bears the risk of loss if the value of the underlying asset declines below the exercise price and the loss is limited to the strike price. The relevant stock exchange, if any, may impose restrictions on the exercise of options and may also restrict the exercise of options at certain times in specified circumstances.

- **Risks for writing covered call options for equity shares:**

- a) Writing call options are highly specialized activities and entail higher than ordinary investment risks. In such investment strategy, the profits from call option writing is capped at the option premium, however the downside depends upon the increase in value of the underlying equity shares.
- b) The Scheme may write covered call option only in case it has adequate number of underlying equity shares as per regulatory requirement.

This would lead to setting aside a portion of investment in underlying equity shares. If covered call options are sold to the maximum extent allowed by regulatory authority, the scheme may not be able to sell the underlying equity shares immediately if the view changes to sell and exit the stock. The covered call options need to be unwound before the stock positions can be liquidated. This may lead to a loss of opportunity, or can cause exit issues if the strike price at which the call option contracts have been written become illiquid. Hence, the scheme may not be able to sell the underlying equity shares, which can lead to temporary illiquidity of the underlying equity shares and result in loss of opportunity.

- c) The writing of covered call option would lead to loss of opportunity due to appreciation in value of the underlying equity shares. Hence, when the appreciation in equity share price is more than the option premium received the scheme would be at a loss.
- d) The total gross exposure related to option premium paid and received must not exceed the regulatory limits of the net assets of the scheme.

- This may restrict the ability of Scheme to buy any options.
- Investments in index futures face the same risk as investments in a portfolio of shares representing an index. The extent of loss is the same as in the underlying Securities.
- The risk of loss in trading futures contracts can be substantial, because of the low margin deposits required, the extremely high degree of leverage involved in futures pricing and the potential high volatility of the futures markets.

5. Risks associated with investment in Securitised Instruments:

Generally available Asset Classes for Securitisation in India are:

- Commercial Vehicles
- Auto and Two wheeler pools
- Mortgage pools (residential housing loans)
- Personal Loan, credit card and other retail loans
- Corporate loans/receivables

Investment exposure of the Fund with reference to Securitised Debt:

The Fund will predominantly invest only in those securitization issuances which have AAA rating indicating the highest level of safety from credit risk point of view at the time of making an investment. The Fund will not invest in foreign securitised debt.

The Fund may invest in various type of securitisation issuances, including but not limited to Asset Backed Securitisation, Mortgage Backed Securitisation, Personal Loan Backed Securitisation, Collateralized Loan Obligation/Collateralized Bond Obligation and so on.

The Fund does not propose to limit its exposure to only one asset class or to have asset class based sub-limits as it will primarily look towards the AAA rating of the offering.

Risk Factors specific to investments in Securitised and Structured Instruments:

Underlying Risk:

Each asset class has a different underlying risk, however, residential mortgages are supposed to be having lower default rates. On the other hand, repossession and subsequent recovery of commercial vehicles and other auto assets is fairly easier and better compared to mortgages. Some of the asset classes such as personal loans, credit card receivables etc., being unsecured credits in nature, may witness higher default rates. As regards corporate loans/receivables, depending upon the nature of the underlying security for the loan or the nature of the receivable the risks would correspondingly fluctuate. However, the credit enhancement stipulated by rating agencies for such asset class pools is typically much higher and hence their overall risks are comparable to other AAA rated asset classes.

The rating agencies have an elaborate system of stipulating margins, over collateralisation and guarantee to bring risk limits in line with the other AAA rated securities.

Limited Liquidity & Price Risk :

Presently, secondary market for securitised papers is not very liquid. There is no assurance that a deep secondary market will develop for such securities. This could limit the ability of the investor to resell them. Even if a secondary market develops and sales were to take place, these secondary transactions may be at a discount to the initial issue price due to changes in the interest rate structure.

Limited Recourse, Delinquency and Credit Risk:

Securitised transactions are normally backed by pool of receivables and credit enhancement as stipulated by the rating agency, which differ from issue to issue. The Credit Enhancement stipulated represents a limited loss cover to the Investors. These Certificates represent an undivided beneficial interest in the underlying receivables and there is no obligation of either the Issuer or the Seller or the originator, or the parent or any affiliate of the Seller, Issuer and Originator. No financial recourse is available to the Certificate Holders against the Investors' Representative. Delinquencies and credit losses may cause depletion of the amount available under the Credit Enhancement and thereby the Investor Payouts may get affected if the amount available in the Credit Enhancement facility is not enough to cover the shortfall. On persistent default of a Obligor to repay his obligation, the Servicer may repossess and sell the underlying Asset.

However many factors may affect, delay or prevent the repossession of such Asset or the length of time required to realize the sale proceeds on such sales. In addition, the price at which such Asset may be sold may be lower than the amount due from that Obligor.

Risks due to possible prepayments:

Asset securitisation is a process whereby commercial or consumer credits are packaged and sold in the form of financial instruments. Full prepayment of underlying loan contract may arise under any of the following circumstances:

- Obligor pays the Receivable due from him at any time prior to the scheduled maturity date of that Receivable; or

- Receivable is required to be repurchased by the Seller consequent to its inability to rectify a material misrepresentation with respect to that Receivable; or
- The Servicer recognizing a contract as a defaulted contract and hence repossessing the underlying Asset and selling the same.
- In the event of prepayments, investors may be exposed to changes in tenor and yield.

Bankruptcy of the Originator or Seller

If originator becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the sale from originator to Trust was not a sale then an Investor could experience losses or delays in the payments due. All possible care is generally taken in structuring the transaction so as to minimize the risk of the sale to Trust not being construed as a “True Sale”. Legal opinion is normally obtained to the effect that the assignment of Receivables to Trust in trust for and for the benefit of the Investors, as envisaged herein, would constitute a true sale.

Bankruptcy of the Investor’s Agent

If Investor’s agent, becomes subject to bankruptcy proceedings and the court in the bankruptcy proceedings concludes that the recourse of Investor’s Agent to the assets/receivables is not in its capacity as agent/Trustee but in its personal capacity, then an Investor could experience losses or delays in the payments due under the swap agreement. All possible care is normally taken in structuring the transaction and drafting the underlying documents so as to provide that the assets/receivables if and when held by Investor’s Agent is held as agent and in Trust for the Investors and shall not form part of the personal assets of Investor’s Agent. Legal opinion is normally obtained to the effect that the Investors Agent’s recourse to assets/receivables is restricted in its capacity as agent and trustee and not in its personal capacity.

Credit Rating of the Transaction/Certificate

The credit rating is not a recommendation to purchase, hold or sell the Certificate in as much as the ratings do not comment on the market price of the Certificate or its suitability to a particular investor. There is no assurance by the rating agency either that the rating will remain at the same level for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency.

Risk of Co-mingling

The Servicers normally deposit all payments received from the Obligor into the Collection Account. However, there could be a time gap between collection by a Servicer and depositing the same into the Collection account especially considering that some of the collections may be in the form of cash. In this interim period, collections from the Loan Agreements may not be segregated from other funds of the Servicer. If the Servicer fails to remit such funds due to Investors, the Investors may be exposed to a potential loss. Due care is normally taken to ensure that the Servicer enjoys highest credit rating on standalone basis to minimize Co-mingling risk.

6. Risks associated with segregated portfolio

- Investor holding units of segregated portfolio may not be able to liquidate their holding till the time recovery of money from the issuer.
- Security comprising of segregated portfolio may not realise any value
- Listing of units of segregated portfolio in recognised stock exchange does not necessarily guarantee their liquidity. There may not be active trading of units in the stock market. Further trading price of units on the stock market may be significantly lower than the prevailing NAV

7. Risk associated with Short Selling

- Purchasing a security entails the risk of the security price going down. Short selling of securities (i.e. sale of securities without owning them) entails the risk of the security price going up thereby decreasing the profitability of the short position. Short selling is subject to risks related to fluctuations in market price, and settlement/liquidity risks. If required by the Regulations, short selling may entail margin money to be deposited with the clearing house and daily mark to market

of the prices and margins. This may impact fund pricing and may induce liquidity risks if the fund is not able to provide adequate margins to the clearing house. Failure to meet margin requirements may result in penalties being imposed by the exchanges and clearing house.

- Engaging in securities lending is subject to risks related to fluctuations in collateral value and settlement/liquidity and counter party risks. The risks in lending portfolio securities, as with other extensions of credit, consist of the failure of another party, in this case the approved intermediary, to comply with the terms of agreement entered into between the lender of securities i.e. the scheme and the approved intermediary. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The Mutual Fund may not be able to sell such lent securities and this can lead to temporary illiquidity and in turn cannot protect from the falling market price of the said security.

8. Risks associated with Securities Lending and Borrowing (SLB)

Securities Lending is lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed. The risks in security lending consist of the failure of intermediary / counterparty, to comply with the terms of agreement entered into between the lender of securities i.e. the scheme and the intermediary / counterparty. Such failure to comply can result in the possible loss of rights in the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary. The scheme may not be able to sell lent out securities, which can lead to temporary illiquidity & loss of opportunity.

9. Risk associated with investments in REITs and InvITS:

- **Market Risk:** REITs and InvITs are volatile and prone to price fluctuations on a daily basis owing to market movements. Investors may note that AMC/Fund Manager's investment decisions may not always be profitable, as actual market movements may be at variance with the anticipated trends. The NAV of the Scheme is vulnerable to movements in the prices of securities invested by the scheme, due to various market related factors like changes in the general market conditions, factors and forces affecting capital market, level of interest rates, trading volumes, settlement periods and transfer procedures.
- **Price-Risk or Interest-Rate Risk:** REITs & InvITs run price-risk or interest-rate risk. Generally, when interest rates rise, prices of existing securities fall and when interest rates drop, such prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of interest rates.
- **Liquidity Risk:** This refers to the ease with which securities can be sold. There is no assurance that an active secondary market will develop or be maintained. Hence there would be time when trading in the units could be infrequent. The subsequent valuation of illiquid units may reflect a discount from the market price of comparable securities for which a liquid market exists.
- **Reinvestment Risk:** Investments in REITs & InvITs may carry reinvestment risk as there could be repatriation of funds by the Trusts in form of buyback of units or IDCW pay-outs, etc. Consequently, the proceeds may get invested in assets providing lower returns.

The above are some of the common risks associated with investments in REITs & InvITs. There can be no assurance that a Scheme's investment objectives will be achieved, or that there will be no loss of capital. Investment results may vary substantially on a monthly, quarterly or annual basis.

10. Risks associated with investing in Tri-Party Repo through CCIL (TREPS)

The mutual fund is a member of securities segment and Tri-party Repo trade settlement of the Clearing Corporation of India (CCIL). All transactions of the mutual fund in government securities and in Tri-party Repo trades are settled centrally through the infrastructure and settlement systems provided by CCIL; thus reducing the settlement and counterparty risks considerably for transactions in the said segments. CCIL maintains prefunded resources in all the clearing segments to cover potential losses arising from the default member. In the event of a clearing member failing to honour his settlement obligations, the default Fund is utilized to complete the settlement. The sequence in which the above resources are used is known as the “Default Waterfall”. As per the waterfall mechanism, after the defaulter’s margins and the defaulter’s contribution to the default fund have been appropriated, CCIL’s contribution is used to meet the losses. Post utilization of CCIL’s contribution if there is a residual loss, it is appropriated from the default fund contributions of the non-defaulting members. Thus the scheme is subject to risk of the initial margin and default fund contribution being invoked in the event of failure of any settlement obligations. In addition, the fund contribution is allowed to be used to meet the residual loss in case of default by the other clearing member (the defaulting member).

11. Risks factors associated with processing of transaction through Stock Exchange Mechanism:

The trading mechanism introduced by the stock exchange(s) is configured to accept and process transactions for mutual fund units in both Physical and Demat Form. The allotment and/or redemption of Units through NSE and/or BSE or any other recognised stock exchange(s), on any Business Day will depend upon the modalities of processing viz. collection of application form, order processing/settlement, etc. upon which the Fund has no control. Moreover, transactions conducted through the stock exchange mechanism shall be governed by the operating guidelines and directives issued by respective recognized stock exchange(s).

12. Risks associated with investment in mutual fund units:

Investment in units of Mutual Fund scheme involves investment risks such as, but not limited to, trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. The value of units of mutual fund scheme may fluctuate based on the price / value / interest rates of the underlying securities in which the mutual fund scheme invests. The value of underlying securities may be affected, inter-alia, by changes in market environment, interest rates, changes in credit rating, trading volumes, settlement periods and transfer procedures. The NAV is also exposed to price/interest rate risk and credit risk and may be affected inter-alia, by the counterparty’s ability or willingness to meet its contractual obligations, government policy, volatility and liquidity in the money markets and pressure on the exchange rate of the rupee. Investment in units of mutual fund scheme is also exposed to risk of suspension of subscriptions / redemptions of the units, change in fundamental attributes etc. Since the Scheme may invest in schemes of Mutual Funds, scheme specific risk factors of each such mutual fund scheme will be applicable to the Scheme portfolio.

13. Risk on Right to limit redemption:

Subject to the approval of Board of Directors of the AMC and Trustee Company and immediate intimation to SEBI, a restriction on redemptions may be imposed by the Scheme under certain exceptional circumstances, which the AMC / Trustee believe that may lead to a systemic crisis or event that constrict liquidity of most securities or the efficient functioning of markets (subject to lock in period, if any). Please refer to the paragraph “Right to Limit Redemptions” for further details.

C. Risk Mitigation Measures by AMC

The Fund by utilizing a holistic risk management strategy will endeavor to manage risks associated with investing in debt and equity markets. The risk control process involves identifying & measuring the risk through various risk measurement tools.

The Fund has identified following risks of investing in equity and debt and designed risk management strategies, which are embedded in the investment process to manage such risks.

Nature of Risk	Risk Mitigation Measures by AMC
For making investment in equity schemes	
<p>Liquidity Risk: Trading volumes, settlement periods and transfer procedures may restrict the liquidity of underlying investments.</p>	<p>All trades are executed on the two leading exchanges, the NSE and BSE. The internal investment process incorporates the days required to sell as an important criteria for investment decisions. The fund seeks to control such risk by investing in such stocks having strong fundamentals, sound financial strength and superior quality of management and highly liquid papers. Further, the days required to liquidate an investment is actively monitored by our internal systems. This ensures that the liquidity risk in the portfolio is minimized.</p>
<p>Settlement Risk: Different segments of Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. The inability of the Schemes to make intended securities' purchases due to settlement problems could cause the Schemes to miss certain investment opportunities.</p>	<p>The portfolio invests only in stocks listed on the BSE and/or the NSE. Both these exchanges are regulated by SEBI. The counterparty risk and settlement risk for all trades on the NSE is guaranteed by the National Securities Clearing Corporation Ltd. (a wholly owned subsidiary of the NSE); and by the Trade Guarantee Fund of BSE. Fixed income investments for equity schemes are limited to highly liquid money market instruments and used only as a cash management tool. Therefore, this minimizes the settlement risk in the portfolio.</p>
<p>Volatility Risk: Equity securities and equity related securities are volatile and prone to price fluctuations on a daily basis.</p>	<p>The scheme has a diversified portfolio to counter the volatility in the prices of individual stocks. Diversification in the portfolio reduces the impact of high fluctuations in daily individual stock prices on the portfolio.</p>
For making investment in fixed income and money markets	
<p>Credit Risk: Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligations.</p>	<p>The fund has a strong credit research process. The credit team analyses and approves each issuer before investment by the schemes. There is a regulatory and internal cap on exposure to each issuer. This ensures a</p>

	diversified portfolio and reduced credit risk in the portfolio.
Liquidity Risk: The corporate debt market is relatively illiquid vis-à-vis the government securities market. Even though the government securities market is more liquid compared to that of other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through.	The scheme is envisaged to be actively managed portfolio. The liquidity and volatility of a security are important criteria in security selection process. This ensures that liquidity risk is minimized.
Investing in unrated securities: Lower rated or unrated securities are more likely to react to developments affecting the market and the credit risk than the highly rated securities which react primarily to movements in the general level of interest rates. Lower rated securities also tend to be more sensitive to economic conditions than higher rated securities.	The scheme have a strong credit research process and as such all investments, rated or unrated, are analyzed and approved by the credit team before investment by the scheme. Further there is a regulatory and internal cap on exposure to unrated issuers, limiting exposure to unrated securities.
Settlement Risk: Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are not invested and no return is earned thereon.	The AMC has well laid out processes and systems, which mitigate operational risks attached with the settlement process.
Reinvestment Risk: This risk refers to the interest rate levels at which cash flows received from the securities in the Plans are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk is that the rate at which interim cash flows can be reinvested may be lower than that originally assumed.	Reinvestment risk is an inherent feature of the portfolio management process. It may be managed, to a certain extent, by seeking to invest in securities with relatively low intermittent cash flows.

II. Information about the scheme:

A. Where will the Scheme Invest:

Subject to the Regulations and other prevailing laws as applicable, the corpus of the Scheme can be invested in any (but not exclusively) of the following securities:

- 1) Indian Equity and equity related securities including convertible bonds and debentures and warrants carrying the right to obtain equity shares.
- 2) Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- 3) Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills)
- 4) Repos of Corporate debt securities.
- 5) Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
- 6) Corporate debt securities (of both public and private sector undertakings)

- 7) Securities issued by banks (both public and private sector) as permitted by SEBI from time to time and development financial institutions
- 8) Money market instruments permitted by SEBI, having maturities of up to one year, or in alternative investment for the call money market.
- 9) Certificate of Deposits (CDs)
- 10) Tri -Party Repo (TREPS)
- 11) Commercial Paper (CPs)
- 12) The non-convertible part of convertible securities
- 13) Securitised Debt, Debt instruments having structured obligations / credit enhancements, Credit Default Swaps (CDS)
- 14) Investment in units of Real Estate Investment Trust ('REIT') & Infrastructure Investment Trust ('InvIT')
- 15) Derivative instruments like, Stock / Index Futures, Stock / Index Options and such other derivative instruments permitted by SEBI.
- 16) Cash & cash equivalents
- 17) Schemes managed by the AMC or the schemes launched by SEBI registered Mutual Funds, provided it is in conformity to the investment objectives of the Scheme and in terms of the prevailing Regulations.
- 18) Any other instruments, as may be permitted by RBI / SEBI / such other Regulatory Authority, from time to time, subject to Regulatory approvals.

The securities mentioned above could be listed or permitted unlisted, privately placed, secured or unsecured, rated or un-rated and of any maturity, as enabled under SEBI Regulations/ circulars/ RBI. The securities may be acquired from primary market/ Initial Public Offer (IPO), secondary market operations, private placement or negotiated deals.

Position of Debt Market in India

The Indian debt market, one of the largest in Asia, is developing rapidly buoyed by a multitude of factors including new instruments, increased liquidity, deregulation of interest rates and improved settlement systems. The major players in the Indian debt markets today are banks, financial institutions, insurance companies, pension funds, provident funds and mutual funds. The instruments in the market can be broadly categorized as those issued by corporates, banks, financial institutions and those issued by state/central governments. The risks associated with any investments are - credit risk, interest rate risk and liquidity risk. While corporate papers carry credit risk due to changing business conditions, government securities do not have credit risk as they are sovereign in nature. Interest rate risk is present in all debt securities and depends on a variety of macroeconomic factors. The largest segment of the Indian Debt market consists of the Government of India securities where the daily average trading volume is in excess of Rs. 40,000 crores, with instrument tenors ranging from short dated Treasury Bills to long dated securities extending upto 50 years. The Corporate bond market, though relatively less liquid, is also fast developing with an increased participation from the banks, financial institutions, mutual funds, provident funds, insurance companies and corporate treasuries. Public Financial Institutions, Public Sector Undertakings and Private AAA Corporates are the major issuers. Corporate bonds majorly are issued as fixed rate bonds. The yield curve usually tends to be positive sloping i.e. yield of shorter dated securities being lower than that of longer dated ones.

The money markets in India essentially consist of call money market (i.e. market for overnight and term money between banks and institutions), repo transactions (temporary sale with an agreement to buy back the securities at a future date at specified price), Tri-Party Repo, commercial papers (CPs, short term unsecured promissory note, generally issued by corporates), certificate of deposits (CDs, issued by banks) and Treasury Bills (issued by RBI). A predominantly institutional market, the key money market players are banks, financial institutions, insurance companies, mutual funds, primary dealers and corporates.

The various instruments currently available for investments are:

Issuer	Instrument	Maturity	Yields (%) as on May 31, 2024	Liquidity
GOI	Treasury Bill	91 days	6.81%	High
GOI	Treasury Bill	364 days	6.98%	High
GOI	Short Dated	1-3 Years	6.95% - 7.00%	High
GOI	Medium Dated	3-5 Years	6.97% - 7.03%	High
GOI	Long Dated	5-10 Years	6.97% - 7.04%	High
Corporate	Taxable Bonds (AAA)	1-3 Years	7.50% - 7.75%	Medium
Corporate	Taxable Bonds (AAA)	3-5 Years	7.45% - 7.70%	Low to medium
Corporate	CPs (A1+)	3 months	7.12%-7.20 %	Medium to High
Corporate	CPs (A1+)	1 Year	7.63% -7.70%	Medium

Source: CCIL/Market reports

The actual yields will, however, vary in line with general levels of interest rates and debt/money market conditions prevailing from time to time.

B. What are the investment restrictions?

Pursuant to Regulations, specifically the Seventh Schedule and amendments thereto, the following investment restrictions are currently applicable to the Scheme:

- The Scheme shall not invest more than 10% of its NAV in the equity shares or equity related instruments of any company;
- The Mutual Fund under all its Schemes shall not own more than 10% of any company's paid up capital carrying voting rights; Provided, investment in the asset management company or the trustee company of a mutual fund shall be governed by clause (a), of sub-regulation (1), of regulation 7B.
- All investments by the Scheme in equity shares and equity related instruments shall only be made provided such securities are listed or to be listed;
- The Scheme shall not invest more than 10% of its net assets in debt instruments comprising money market & non money market instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the SEBI Act. Such investment limit may be extended to 12% of the net assets of the Scheme with the prior approval of the Trustees and the Board of the AMC. Accordingly, within the limits specified in the clause 1 of Seventh Schedule of the MF Regulation, following prudential limits shall be followed, for schemes other than Credit risk funds:

A mutual fund scheme shall not invest more than:

- a) 10% of its NAV in debt and money market securities rated AAA; or
- b) 8% of its NAV in debt and money market securities rated AA; or
- c) 6% of its NAV in debt and money market securities rated A and below

issued by a single issuer.

The above investment limits may be extended by up to 2% of the NAV of the scheme with prior approval of the Board of Trustees and Board of Directors of the AMC, subject to compliance with the overall 12% limit specified in Clause 1 of Seventh Schedule of MF Regulation.

Such limit shall not be applicable for investments in government securities, treasury bills & Tri-Party Repo on Government Securities or TREPS. Provided further that investment within such limit can be made in mortgage backed Securitised debts which are rated not below investment grade by a credit rating agency registered with SEBI. Provided further that such limit shall not be applicable for investments in case of debt exchange traded funds or such other funds as may be specified by the Board from time to time.

- Scheme shall not invest in unlisted debt instruments including commercial papers, except Government Securities and other money market instruments and derivative products such as Interest Rate Swaps, Interest Rate Futures, etc. which are used by mutual fund for hedging: Provided that Mutual Fund Schemes may invest in unlisted non-convertible debentures up to a maximum of 10% of the debt portfolio of the scheme subject to such conditions as may be specified by SEBI from time to time:

Provided further that the norms for investments by mutual fund schemes in unrated debt instruments shall be specified by SEBI from time to time.

Note:

- a) SEBI vide paragraph 12.1 of Master Circular of Mutual Funds dated May 19, 2023 has issued following guidelines wrt investment in unlisted debt & money market instruments
- b) Mutual fund scheme may invest in unlisted non-convertible debentures (NCDs) that have a simple structure (i.e with fixed and uniform coupon, fixed maturity period, without any options, fully paid up upfront, without any credit enhancements or structured obligations) and are rated and secured with coupon payment frequency on monthly basis.
- c) All fresh investments by mutual fund schemes in CPs would be made only in CPs which are listed or to be listed with effect from one month from the date of operationalization of framework for listing of CPs or January 01, 2020, whichever is later.
- d) Restrictions on Investment in debt instruments having Structured Obligations / Credit Enhancements:

The investment of mutual fund schemes in the following instruments shall not exceed 10% of the debt portfolio of the schemes and the group exposure in such instruments shall not exceed 5% of the debt portfolio of the schemes:

 - I. Unsupported rating of debt instruments (i.e. without factoring-in credit enhancements) is below investment grade and
 - II. Supported rating of debt instruments (i.e. after factoring-in credit enhancement) is above investment grade.
 - III. For the purpose of this provision, 'Group' shall have the same meaning as defined in paragraph 12.9.3.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
 - IV. Investment limits as mentioned above shall not be applicable on investments in securitized debt instruments, as defined in SEBI (Public Offer and Listing of Securitized Debt Instruments) Regulations 2008.

Investment in debt instruments, having credit enhancements backed by equity shares directly or indirectly, shall have a minimum cover of 4 times considering the market value of such shares

- The Scheme may invest in unrated debt and money market instruments other than government securities, treasury bills, derivative products such as Interest Rate Swaps (IRS), Interest Rate Futures (IRF) etc subject to following limit
 - a. Investments in such instruments, shall not exceed 5% of the net assets of the scheme.
 - b. All such investments shall be made with prior approval of the Board of AMC and the Board of Trustees.

Investments shall only be made in such instruments, including bills re-discounting, usance bills, etc., that are generally not rated and for which separate investment norms or limits are not provided in SEBI (Mutual Fund) Regulations, 1996 and various circulars issued thereunder.

- The Scheme may invest in another scheme of the Mutual Fund or any other mutual fund. The aggregate inter-scheme investment made by all the schemes under the same management or in schemes under management of any other asset management company shall not exceed 5% of the net asset value of the Fund. No investment management fees shall be charged by the Scheme for investing in other schemes of the Mutual Fund or in the schemes of any other mutual fund.
- The Scheme shall not make any investment in:
 - a. Any unlisted Security of an associate or group company of the Sponsor; or
 - b. Any Security issued by way of private placement by an associate or group company of the Sponsor; or
 - c. the listed Securities of group companies of the Sponsor which is in excess of 25% of the net assets.
- Transfer of investments from one scheme to another scheme in the Mutual Fund is permitted provided –
 - a) such transfers are done at the prevailing market price for quoted instruments on Spot Basis (Spot Basis shall have the same meaning as specified by a stock exchange for spot transactions); and
 - b) the Securities so transferred shall be in conformity with the investment objective of the Scheme to which such transfer has been made. the same are in line with paragraph 12.30 of SEBI Master Circular for Mutual Funds dated May 19, 2023.
- The Mutual Fund shall get the Securities purchased or transferred in the name of the Fund on account of the Scheme, wherever investments are intended to be of a long-term nature.
- The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases take delivery of the relevant securities and in all cases of sale, deliver the securities. The Mutual Fund may however engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by SEBI. Further that the Mutual Fund shall enter into derivatives transactions in a recognised stock exchange, subject to the framework specified by SEBI. The sale of government securities already contracted for purchase shall be permitted in accordance with the guidelines issued by the RBI in this regard.

- The Scheme shall not invest in a Fund of Funds scheme.
- **Participation of scheme in repo of corporate debt securities:**

In accordance with paragraph 12.18 of SEBI Master Circular for Mutual Funds dated May 19, 2023, schemes of the Mutual Fund shall participate in the 'Corporate Bond Repo' transactions as per guidelines issued by Reserve Bank of India (RBI) from time to time. Currently the applicable guidelines are as under:

- a. Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net assets of the concerned scheme.
- b. The cumulative gross exposure through repo transactions in corporate debt securities along with equity, debt, units of REITs and INVITs and derivatives shall not exceed 100% of the net assets of the concerned scheme.
- c. Mutual Funds shall participate in repo transactions only in 'AA and above' rated corporate debt securities.
- d. In terms of Regulation 44(2) mutual funds shall borrow through repo transactions only if the tenor of the transaction does not exceed a period of six months.

The investment restrictions applicable to the Scheme's participation in the Corporate Bond repos will also be as prescribed or varied by SEBI or by the Board of PGIM India Trustees Pvt. Ltd. (subject to SEBI requirements) from time to time.

The following guidelines shall be followed by PGIM India Mutual Fund for participating in repo in Corporate debt securities, which have been approved by the Board of AMC and Trustee Company:

- a) **Category of Counterparty to be considered for making investment:**
All entities eligible for transacting in Corporate Bond repos as defined by SEBI and RBI shall be considered for repo transactions
- b) **Credit rating of Counterparty to be considered for making investment:**
The scheme shall participate in Corporate Bond repo transactions with counterparties having a minimum investment grade rating and approved by the Investment Committee on a case-to-case basis. In case a Counterparty is unrated, the Investment Committee will decide/ assign a rating to the Counterparty and report the same to the Board.
- c) **Tenor of Repo and Collateral:**
As a repo seller (borrowing), the scheme will borrow cash for a period not exceeding 6 months or as per extant regulations. As a repo buyer, the Scheme are allowed to undertake the transactions (lending) for maximum maturity upto one year or such other terms as may be approved by the Investment Committee. There shall be no restriction / limitation on the tenor of the underlying collateral that is being accepted.
- d) **Applicable haircuts:**
As per RBI circular RBI/2012-13/365 IDMD.PCD.09/14.03.02/2012-13 dated 07/01/2013, all Corporate Bond repo transaction will be subject to a minimum haircut given as given below:
 - a. AAA : 7.50%
 - b. AA+ : 8.50%
 - c. AA : 10.00%

The haircut will be applicable on the prevailing market value of the said security on the prevailing date of trade. However, the fund manager may ask for a higher haircut (while

lending) or give a higher haircut (while borrowing) depending on the prevailing market and liquidity situation.

- The Scheme will comply with the following restrictions for trading in exchange traded derivatives, as specified by SEBI vide its circular DNPD/Cir-29/2005 dated September 14, 2005, Circular DNPD/Cir-30/2006 dated January 20, 2006 and Circular DNPD/Cir-31/2006 dated September 22, 2006, circular no. SEBI/HO/MRD/DP/CIR/P/2016/143 dated December 27, 2016, read in line with paragraph 7.5 and 12.25 of SEBI Master Circular for Mutual Funds dated May 19, 2023:

i. Position limit for the Mutual Fund in equity index options contracts:

- a. The Mutual Fund position limit in all equity index options contracts on a particular underlying index shall be Rs. 500 Crores or 15% of the total open interest of the market in equity index option contracts, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all options contracts on a particular underlying index.

ii. Position limit for the Mutual Fund in equity index futures contracts:

- a. The Mutual Fund position limit in all equity index futures contracts on a particular underlying index shall be Rs. 500 Crores or 15% of the total open interest in the market in equity index futures contracts, whichever is higher, per Stock Exchange.
- b. This limit would be applicable on open positions in all futures contracts on a particular underlying index.

iii. Additional position limit for hedging:

In addition to the position limits at point (i) and (ii) above, Mutual Fund may take exposure in equity index derivatives subject to the following limits:

- a. Short positions in index derivatives (short futures, short calls and long puts) shall not exceed (in notional value) the Mutual Fund's holding of stocks.
- b. Long positions in index derivatives (long futures, long calls and short puts) shall not exceed (in notional value) the Mutual Fund's holding of cash, government securities, T-Bills and similar instruments.

iv. Position limit for the Mutual Fund for stock based derivative contracts:

The Mutual Fund position limit in a derivative contract on a particular underlying stock, i.e. stock option contracts and stock futures contracts:

- The combined futures and options position limit shall be 20% of the applicable Market Wide Position Limit (MWPL).

v. Position limit for the Scheme:

The position limits for the Scheme and disclosure requirements are as follows–

- a. For stock option and stock futures contracts, the gross open position across all derivative contracts on a particular underlying stock of a scheme of the Mutual Fund shall not exceed the higher of:

1% of the free float market capitalisation (in terms of number of shares)

Or

5% of the open interest in the derivative contracts on a particular underlying stock (in terms of number of contracts).
- b. This position limit shall be applicable on the combined position in all derivative contracts on an underlying stock at a Stock Exchange
- c. For index based contracts, the Mutual Fund shall disclose the total open interest held by the Scheme or all schemes put together in a particular underlying index, if such open interest equals to or exceeds 15% of the open interest of all derivative contracts on that underlying index.

Further, paragraph 12.25 of SEBI vide Master Circular for Mutual Funds dated May 19, 2023, has prescribed the following investment restrictions with respect to investment in derivatives:

- a) The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure read in line with AMFI Communication dated November 3, 2021.
- b) The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
- c) Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:-
 - (i) Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains;
 - (ii) Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point (a) above.
 - (iii) Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
 - (iv) The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
- d) Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counterparty in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme. However, if the Mutual Fund is transacting in interest rate swaps through an electronic trading platform offered by the Clearing Corporation of India Ltd. (CCIL) and CCIL is the central counterparty for such transactions guaranteeing settlement, the single counterparty limit of 10% shall not be applicable. .

- e) Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has been taken, shall be treated under the limits mentioned in Point (a) above.

Investment Restrictions for Covered Call strategy:

Mutual Fund may write call options only under a covered call strategy for constituent stocks of NIFTY 50 and BSE SENSEX subject to the following:

- a. The total notional value (taking into account strike price as well as premium value) of call options written by a scheme shall not exceed 15% of the total market value of equity shares held in that scheme.
 - b. The total number of shares underlying the call options written shall not exceed 30% of the unencumbered shares of a particular company held in the scheme. The unencumbered shares in a scheme shall mean shares that are not part of Securities Lending and Borrowing Mechanism (SLBM), margin or any other kind of encumbrances.
 - c. At all points of time the Mutual Fund scheme shall comply with the provisions at points (i) and (ii) above. In case of any passive breach of the requirement at paragraph (i) above, the respective scheme shall have 7 trading days to rebalance the portfolio. During the rebalancing period, no additional call options can be written in the said scheme.
 - d. In case a Mutual Fund scheme needs to sell securities on which a call option is written under a covered call strategy, it must ensure compliance with paragraphs (i) and (ii) above while selling the securities.
 - e. In no case, a scheme shall write a call option without holding the underlying equity shares. A call option can be written only on shares which are not hedged using other derivative contracts.
 - f. The premium received shall be within the requirements prescribed in terms of paragraph 12.25.2 of SEBI Master Circular for Mutual Funds dated May 19, 2023 on Mutual Funds dated May 19, 2023, i.e. the total gross exposure related to option premium paid and received must not exceed 20% of the net assets of the scheme.
 - g. The exposure on account of the call option written under the covered call strategy shall not be considered as exposure in terms of paragraph 12.25.8i(g) of SEBI Master Circular for Mutual Funds dated May 19, 2023..
 - h. The call option written shall be marked to market daily and the respective gains or losses factored into the daily NAV of the respective scheme(s) until the position is closed or expired.
- Investment restrictions w.r.t. REITs and InvITS:
 - a. The Mutual Fund under all its schemes shall not own more than 10% of units issued by a single issuer of REIT and InvIT.
 - b. The Scheme shall not invest more than 10% of its NAV in the units of REITs and InvITs.
 - c. The Scheme shall not invest more than 5% of its NAV in the units of REITs and InvITs issued by a single issuer.

- Pending deployment of funds of a Scheme in terms of the investment objectives of the Scheme, the AMC may invest the funds of the Scheme in short term deposits of scheduled commercial banks in accordance with the guidelines set out by SEBI under the Regulations.
- The Scheme will comply with the following guidelines/restrictions for parking of funds in short term deposits:-
 - a. "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
 - b. Such short-term deposits shall be held in the name of the Scheme.
 - c. The Scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with the approval of the Trustee.
 - d. Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
 - e. The Scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
 - f. The Scheme shall not park funds in short-term deposit of a bank which has invested in the said Scheme. Further Trustees/AMC shall also ensure that a bank in which scheme has short term deposit does not invest in the Scheme until the Scheme has short term deposits with such bank.
 - g. AMC shall not charge any investment management and advisory fees for parking of funds in short term deposits of scheduled commercial banks.

However, the above provisions will not apply to term deposits placed as margins for trading in cash and derivatives market.

- In terms of paragraph 4.4.4 of SEBI Master Circular for Mutual Funds dated May 19, 2023, no Mutual Fund under all its schemes shall own more than 10% of debt instruments with special features or Tier 1 bonds and Tier 2 bonds issued under Basel III framework with special features issued by a single issuer. Further, the scheme shall not invest more than 10% of its NAV of the debt portfolio of the scheme in such instruments; and shall not invest more than 5% of its NAV of the debt portfolio of the scheme in such instruments issued by a single issuer.
- Save as otherwise expressly provided under SEBI (Mutual Funds) Regulations, 1996, the Scheme shall not advance any loans.
- The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase/redemption of Units or payment of interest and/or IDCW to the Unit holders. Provided that the Fund shall not borrow more than 20% of the net assets of the individual Scheme and the duration of the borrowing shall not exceed a period of 6 month.

All investment restrictions shall be applicable at the time of making investment. The AMC/Trustee may alter these above stated restrictions from time to time to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments for mutual funds to achieve its respective investment objective.

C. Fundamental Attributes:

Following are the Fundamental Attributes of the Scheme, in terms of Clause 1.14 of SEBI Master Circular for Mutual Funds dated May 19, 2023:

(i) Type of a Scheme

An open ended retirement solution oriented scheme having a lock-in of 5 years or till retirement age (whichever is earlier).

(ii) Investment Objective

- Main Objective

The investment objective of the scheme is to provide capital appreciation and income to investors in line with their retirement goals by investing in a mix of securities comprising of equity, equity related instruments, REITs and InvITs, and fixed income securities.

However, there is no assurance that the investment objective of the scheme will be achieved. The Scheme does not guarantee/ indicate any returns.

- Investment pattern: Please refer to section ‘Asset Allocation’ under Section I, Part II – A.

(iii) Terms of Issue:

- Liquidity provisions such as listing, repurchase, redemption. **Refer Section I, Part I – Highlights / Summary of the Scheme**
- Aggregate maximum fees and expenses charged to the Scheme. **Refer Section I, Part III, Point no. C- Annual Scheme Recurring Expenses**
- The Scheme does not provide any safety net or guarantee.

In accordance with Regulation 18(15A) of the SEBI (Mutual Funds) Regulations and Clause 1.14.1.4 of SEBI Master Circular for Mutual Funds dated May 19, 2023, the Trustee will ensure that no change in the Fundamental Attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the Trust or fees and expenses payable or any other change which would modify the Scheme and the Plan(s) /Option(s) there under and affect the interest of the Unit holders is carried out unless:

- SEBI has reviewed and provided its comments on the proposal;
- written communication about the proposed change is sent to each Unit holder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated; and
- the Unit holders are given an option for a period of 30 calendar days to exit at the prevailing NAV without any exit load.

D. Other Scheme Specific Disclosures:

Listing and transfer of units	<p>The Scheme is an open ended scheme under which sale and repurchase (subject to completion of lock-in period) will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. However, the Trustee/AMC reserves the right to list the Units.</p> <p>Units of the Scheme held in the Demat form are fully and freely transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, 2018 as may be amended from time to time through off market deals or in accordance with the stock exchange rules, upon the Scheme being</p>
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	<p>listed. Transfers should be only in favor of transferees who are eligible for holding Units under the Scheme.</p> <p>Units of the Scheme are freely transferable in demat and non demat mode. (subject to lock-in period, if any and subject to lien, if any marked on the units)</p> <p>If a person becomes a holder of the Units consequent to operation of law, or upon enforcement of a pledge, the Mutual Fund will, subject to production of satisfactory evidence, effect the transfer, if the transferee is otherwise eligible to hold the Units. Similarly, in cases of transmission of Units consequent on the death of a unitholder, the transferee's name will be recorded by the AMC / Registrar subject to production of satisfactory evidence and completing the requisite procedure / documentation (as explained in SAI).</p>
<p>Dematerialization of units</p>	<p>The investors shall have an option to hold the Units in demat mode. In case of SIP transactions, the units will be allotted based on the applicable NAV, the same will be credited to unitholder's Demat account on a weekly basis, upon realization of funds/ credit confirmation. For example, for fund realization/ credit confirmation received from the bankers from Monday to Friday of a week, the Units will be credited to unitholder's Demat account with the DP in the following week on Monday.</p> <p>To hold the Units in demat mode, the investor will be required to have a beneficiary account with a Depository Participant (DP) of the NSDL/CDSL and will be required to mention in the application form, DP's Name, DP ID and Beneficiary Account No. with the DP at the time of subscribing to the Units. The AMC will credit the Units to the Beneficiary Account of Unit holder within five working days from the date of clearance of the investor's cheque.</p> <p>If a Unit holder desires to opt for dematerialization of units held under physical account statement at a later date, he will be required to make an application to AMC/ RTA/DP in Conversion Request Form (available on the website of the Mutual Fund or with the DPs) along with Statement of Account, a copy of Client Master Report (CMR) or Transaction Statement (only the page of Transaction Statement reflecting the name and pattern of holding) issued by its Depository Participant. Application for issue of Units in demat mode may be submitted to any of the OPAs / ISCs or DPs. The AMC will credit the Units to the Beneficiary Account of Unit holder within two working days from receipt of demat request.</p> <p>In case the unit holders do not provide their Demat Account details, or the demat details provided in the application form are incomplete / incorrect or do not match with the details with the Depository records, the Units will be allotted in physical account statement mode provided the application is otherwise complete in all respect and accordingly, an Account Statement shall be sent to them.</p>
<p>Minimum amount (This is the minimum amount required to operate the scheme and if this is not collected</p>	<p>Target</p> <p>Not Applicable. The Scheme is open on an ongoing basis for subscription/redemption at NAV based prices.</p>

<p>during the NFO period, then all the investors would be refunded the amount invested without any return.)</p>	
<p>Maximum Amount to be raised (if any)</p>	<p>Not Applicable</p>
<p>Dividend Policy (IDCW)</p>	<p>Under the Income Distribution cum Capital Withdrawal option, the Trustee will have the discretion to declare the IDCW, subject to availability of distributable surplus calculated in accordance with the Regulations. Further investors are requested to note that the amounts can be distributed out of investors capital (Equalization Reserve) which is part of a sale price that represents realized gains. The actual declaration of IDCW and frequency will inter-alia, depend on availability of distributable surplus calculated in accordance with the Regulations and the decisions of the Trustee shall be final in this regard. There is no assurance or guarantee to the Unit holders as to the rate of IDCW nor that the IDCW will be paid regularly.</p> <p><u>IDCW Distribution Procedure</u></p> <p>In accordance with Chapter 11 of SEBI Master Circular for Mutual Fund dated May 19, 2023 the procedure for IDCW distribution would be as under:</p> <ol style="list-style-type: none"> 1. Quantum of IDCW and the record date will be fixed by the Trustee. IDCW so decided shall be paid, subject to availability of distributable surplus. 2. Within one calendar day of decision by the Trustee, the AMC shall issue notice to the public communicating the decision about the IDCW including the record date, in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the Mutual Fund is situated. 3. Record date shall be the date, which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of Unit holders for receiving IDCW. The Record Date will be 2 business days from the date of issue of notice. 4. The NAV will be adjusted to the extent of IDCW distribution and statutory levy, if any, at the close of business hours on record date.
<p>Allotment (Detailed procedure)</p>	<p>All applicants will receive full and firm allotment of Units, provided the applications are complete in all respects and are found to be in order. The AMC retain the sole and absolute discretion to reject any application. Allotment to NRIs/FPIs will be subject to RBI approval, if any, required.</p> <p>An applicant in a scheme whose application has been accepted shall have the option either to receive the statement of accounts or to hold the units in dematerialised form and the asset management company shall issue to such applicant, a statement of accounts specifying the number of units allotted to the applicant or issue units in the dematerialized form as soon as possible but not later than five working days from the date of closure of the initial subscription list or from the date of receipt of the application.</p> <p>In case of Unit holder who have provided their e-mail address the Fund will provide the Account Statement only through e-mail message, subject to</p>

	<p>Regulations and unless otherwise required. In cases where the email does not reach the Unit holder, the Fund / its Registrar & Transfer Agents will not be responsible, but the Unit holder can request for fresh statement. The Unit holder shall from time to time intimate the Fund / its Registrar & Transfer Agent about any changes in his e-mail address.</p> <p>All Units will rank <i>pari passu</i>, among Units within the same Option in the Scheme concerned as to assets, earnings and the receipt of IDCW distributions, if any, as may be declared by the Trustee.</p> <p>In case the Unit Holder desires to hold Units in dematerialized/rematerialized form at a later date, the request for conversion of Units held in non-dematerialized form into dematerialized form or vice-versa should be submitted along with a dematerialized/rematerialized request form to their Depository Participants.</p>
Refund	<p>If application is rejected, full amount will be refunded within 5 working days of rejection of application. If refunded later than 5 working days @ 15% p.a. for delay period will be paid and charged to the AMC.</p>
<p>Who can invest</p> <p><i>(This is an indicative list and investors shall consult their financial advisor to ascertain whether the scheme is suitable to their risk profile).</i></p>	<p>The following persons are eligible to invest in the Units of the Scheme (subject, wherever relevant, to the Purchase of Units of the Scheme of the Mutual Fund being permitted and duly authorized under their respective by-laws /constitutions, charter documents, corporate / other authorisations and relevant statutory provisions etc):-</p> <ol style="list-style-type: none"> 1. Resident Indian adult individuals either singly or jointly (not exceeding three) or on an Anyone or Survivor basis; 2. Resident Indian Minors or Non-Resident Indian Minors through their parent/legal guardian; 3. Non-Resident Indians (NRIs)/ Persons of Indian origin (PIOs) residing abroad on repatriation basis or on non - repatriation basis; 4. The Sponsor or the AMC in order to comply with the requirements of Regulation 28(4) of the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. 5. Such other category of person(s), as may be decided by the AMC from time to time, so long as, wherever applicable, subject to their respective constitutions and relevant statutory regulations; <p>The AMC reserve the right to include/exclude new/existing categories of investors to invest in the Scheme from time to time, subject to applicable Laws, if any. Prospective investors are advised to satisfy themselves that they are not prohibited by any law governing such entity and any Indian law from investing in the Scheme and are authorized to invest in mutual fund units as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions.</p> <p>Subject to the Regulations and applicable law, an application for Units from an applicant may be accepted or rejected at the sole and absolute discretion of the AMC/Trustee.</p>

<p>Who cannot invest</p>	<p>The following persons cannot invest in the Scheme:</p> <ol style="list-style-type: none"> 1. United States Person (U.S. person) as defined under the extant laws of the United States of America; 2. Residents of Canada 3. Any individual who is a foreign national or any entity that is not an Indian Resident under the Foreign Exchange Management Act, 1999, except where registered with SEBI as a FPIs or FPIs sub account; 4. Non-Resident Indians residing in the Financial Action Task Force (FATF) Non-Compliant Countries and Territories (NCCTs); 5. Overseas Corporate Bodies; <p>The AMC reserve the right to include/exclude new/existing categories of investors to invest in the Scheme from time to time, subject to applicable Laws, if any. Prospective investors are advised to satisfy themselves that they are not prohibited by any law governing such entity and any Indian law from investing in the Scheme and are authorized to invest in mutual fund units as per their respective constitutions, charter documents, corporate / other authorizations and relevant statutory provisions.</p> <p>Subject to the Regulations and applicable law, an application for Units from an applicant may be accepted or rejected at the sole and absolute discretion of the AMC/Trustee.</p>
<p>How to Apply and other details</p>	<p>The Application form shall be made available availability of application form from either the Investor Service Centers (ISCs)/Official Points of Acceptance (OPAs) of AMC or may be downloaded from the website of AMC (www.pgimindiamf.com)</p> <p>Please refer to the SAI and Application form for the instructions.</p> <p>Please refer the AMC website (www.pgimindiamf.com) for the list of official points of acceptance, collecting banker details etc.</p> <p>All transaction requests can be submitted at any of the Official Points of Acceptance, the addresses of which are given at the end of this SID. <i>(Please refer to the back cover page of this SID for details)</i></p> <p>The AMC may designate additional centres of the Registrar as the Official Points of Acceptance during the Ongoing Offer Period and change such centres, if necessary.</p> <p>As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications and therefore, investors are requested to fill-up the appropriate box in the application form failing which applications are liable to be rejected.</p>
<p>The policy regarding reissue of repurchased units,</p>	<p>Units once redeemed will be extinguished and will not be reissued.</p>

<p>including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</p>	
<p>Restrictions, if any, on the right to freely retain or dispose of units being offered.</p>	<p><u>Pledge of Units:-</u></p> <p>The Units under the Scheme may be offered as security by way of a pledge / charge in favor of scheduled banks, financial institutions, non-banking finance companies (NBFC's), or any other body. The AMC/RTA will note and record such Pledged Units. A standard form for this purpose is available on request at all ISCs. The AMC shall mark a lien on the specified units only upon receiving the duly completed form and documents as it may require. Disbursement of such loans will be at the entire discretion of the bank / financial institution / NBFC or any other body concerned and the Mutual Fund assumes no responsibility thereof.</p> <p>The Pledgor will not be able to redeem/switch Units that are pledged until the entity to which the Units are pledged provides a written authorisation to the Mutual Fund that the pledge / lien/ charge may be removed. As long as Units are pledged, the Pledgee will have complete authority to redeem such Units. IDCW declared on Units under lien will be paid / re-invested to the credit of the Unit Holder and not the lien holder unless specified otherwise in the lien letter.</p> <p>For units of the Scheme held in electronic (Demat) form, the rules of Depository applicable for pledge will be applicable for Pledge/Assignment of units of the Scheme. Pledgor and Pledgee must have a beneficial account with the Depository. These accounts can be with the same DP or with different DPs.</p> <p><u>Lien on Units:-</u></p> <p>On an ongoing basis, when existing and new investors make Subscriptions, pending clearance of the payment instrument, a temporary hold (lien) will be created on the Units allotted and such Units shall not be available for redemption/switch out until the payment proceeds are realised by the Fund. In case a Unit holder redeems Units immediately after making subscription for purchase of units, the redemption request for such investor shall be rejected. In case the cheque/draft is dishonored during clearing process by the bank, the transaction will be reversed and the Units allotted there against shall be cancelled under intimation to the applicant. In respect of NRIs, the AMC/ RTA shall mark a temporary hold (lien) on the Units, in case the requisite documents (such as FIRC/Account debit letter) have not been submitted along with the application form and before the submission of the redemption request. The AMC reserves the right to change the operational guidelines for temporary lien on Units from time to time.</p> <p><u>Suspension of sale of units</u></p> <p>With the approval of the Boards of Directors of the Trustee and the Asset Management Company, the sale of Units may be suspended temporarily or indefinitely when any of the following conditions exist:</p> <ol style="list-style-type: none"> 1. The equity / debt market stops functioning or trading is restricted.

2. Periods of extreme volatility in the equity / debt market, which, in the opinion of the Investment Manager, is prejudicial to the interest of the investors.
3. When there is a strike by the banking community or trading is restricted by RBI or other authority.
4. Period of extreme volatility in the equity / debt / money market, which in the opinion of the Board of Directors of AMC and Trustee is prejudicial to the interest of the scheme's investors.
5. As and when directed by the Government of India or RBI or SEBI to do so or conditions relating to natural calamity/external aggression/internal disturbances etc. arises, so as to cause volatile movements in the money or debt market, which in the opinion of the AMC, will be prejudicial to the interest of the unitholders, if further trading in the scheme is continued.
6. Break down in the information processing/communication systems affecting the valuation of investments/processing of sale/repurchase request.
7. Natural calamity.
8. SEBI, by order, so directs.
9. Trustee views that increasing the Scheme's size further may prove detrimental to the existing/prospective Unitholders of the Scheme.
10. Any other circumstances which in the opinion of the Board of Directors of AMC and Trustee is prejudicial to the interest of the existing/prospective investors.

Right to Limit Redemption:-

The AMC may, under the below mentioned circumstances, impose restriction on redemption (including switch-outs) for a period not exceeding 10 business days in any 90 days period (subject to lock in period, if any). Such restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:

Liquidity issues - When market at large becomes illiquid affecting almost all securities rather than any issuer specific security;

Market failures, exchange closures - When markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies;

Operational issues - When exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).

However, such restriction would not be applicable to the redemption (including switch-outs) requests received for up to INR 2 Lakhs. In case of redemption (including switch-outs) requests above INR 2 Lakhs, the AMC shall redeem the first INR 2 Lakhs without such restriction and remaining part over and above INR 2 Lakhs shall be subject to such restriction.

Any imposition of restriction on redemption (including switch-outs) of units of the Scheme shall be made applicable only after specific approval of Board of AMC and Trustee and the same shall also be informed to SEBI immediately.

<p>Cut off timing for subscriptions/ redemptions/ switches</p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>	<p>SUBSCRIPTION/PURCHASE INCLUDING SWITCH-INS:-</p> <p>a) In respect of valid application received before 3.00 p.m. on a business day and funds for the entire amount of subscription/ purchase as per the application are credited to the bank account of the Scheme and are available for utilization before the cut-off time, the closing NAV of the day on which the funds are available for utilisation shall be applicable;</p> <p>b) In respect of valid application received after 3.00 p.m. on a business day and funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the Scheme and are available for utilization before the cut-off time of the next business day, the closing NAV of the next business day shall be applicable;</p> <p>c) However, irrespective of the time of receipt of valid application on a given Business day, where the funds are not available for utilisation before the cut off time on the day of the application, the closing NAV of the Business Day on which the funds are available for utilisation before the cut-off time (3:00 p.m.) shall be applicable.</p> <p>For determining the availability of funds for utilisation, the funds for the entire amount of subscription/purchase (including switch-in) as per the application should be credited to the bank account of the scheme before the cut-off time and the funds are available for utilisation before the cut-off time without availing any credit facility whether intra-day or otherwise, by the Scheme.</p> <p>REDEMPTIONS INCLUDING SWITCH-OUTS:</p> <p>1) In respect of valid applications received upto 3 p.m. on a business day by the Mutual Fund, closing NAV of the day of receipt of application, shall be applicable.</p> <p>2) In respect of valid applications received after 3 p.m. on a business day by the Mutual Fund, the closing NAV of the next business day shall be applicable.</p> <p>Switch Transactions</p> <p>Valid Switch application will be considered for processing on the earliest day which is a Business Day for both the ‘Switch out’ scheme and the ‘Switch in’ scheme. Application for ‘Switch in’ shall be treated as purchase application and the Applicable NAV based on the cut off time for purchase shall be applied. Application for Switch out shall be treated as redemption application, and the Applicable NAV based on the cut off time for redemption shall be applied.</p>
<p>Minimum amount for purchase/redemption/switches</p>	<p>Initial Purchase/Switch-in – Rs. 5,000/- and in multiples of Re.1/- thereafter.</p> <p>Additional Purchase - Rs. 1,000/- and in multiples of Re.1/-thereafter.</p> <p>Redemption Amount/Switch-out: - Rs. 1,000/- and in multiples of Re. 1/- or account balance whichever is lower.</p> <p>For SIPs - Minimum no. of 5 installments and Minimum amount per installment - Rs. 1,000/- each and in multiples of Rs.1/- thereafter.</p>

	<p>Note:</p> <ul style="list-style-type: none"> • Redemption / switch-out shall be subject to completion of compulsory lock in period • In case the Unit holder specifies the number of Units and amount in the redemption request, the number of units shall be considered for Redemption. • In case the Unit holder does not specify the number of Units or amount in the redemption request, the request will not be processed. • In case a Unitholder has purchased Units on multiple days in a single folio, the Units will be redeemed / switched out on a ‘First in First Out’ (FIFO) basis, i.e., the Units acquired chronologically first / earlier will be redeemed / switched out first, and the Exit Load, if any, applicable to each of the Units would correspond to the period of time the Units were held by the Unitholder. • In case of Units held in dematerialized mode, the Unit Holder can give a request for Redemption only in number of Units. Request for subscriptions can be given only in amount. Depository participants of registered Depositories to process only redemption request of units held in Demat form
Accounts Statements	<p>The AMC shall send an allotment confirmation specifying the units allotted by way of email and/or SMS within 5 working days of receipt of valid application/transaction to the Unit holders registered e-mail address and/ or mobile number (whether units are held in demat mode or in account statement form).</p> <p>A Consolidated Account Statement (CAS) detailing all the transactions across all mutual funds (including transaction charges paid to the distributor) and holding at the end of the month shall be sent to the Unit holders in whose folio(s) transaction(s) have taken place during the month by mail or email on or before 15th of the succeeding month.</p> <p>Half-yearly CAS shall be issued at the end of every six months (i.e. September/ March) on or before 21st day of succeeding month, to all investors providing the prescribed details across all schemes of mutual funds and securities held in dematerialized form across demat accounts, if applicable</p> <p>For further details, refer SAI.</p>
Dividend/ IDCW	<p>The payment of dividend/IDCW to the unitholders shall be made within seven working days from the record date.</p>
Redemption	<p>The redemption proceeds shall be transferred to the unitholders within 3 business days from the date of receipt of redemption application (subject to completion of lock-in period), complete / in good order in all respects.</p> <p>For list of exceptional circumstances refer para 14.1.3 of SEBI Master Circular for Mutual Funds dated May 19, 2023. redemption or repurchase proceeds shall be transferred / dispatched to Unitholders within the time frame prescribed for such exceptional circumstances.</p>

Bank Mandate	As per the directives issued by SEBI, it is mandatory for applicants to mention their bank account numbers in their applications/request for redemption and therefore, investors are requested to fill-up the appropriate box in the application/request for redemption form failing which applications/request for redemption are liable to be rejected.
Delay in payment of redemption / repurchase proceeds/dividend	The Asset Management Company shall be liable to pay interest to the unitholders at rate as specified vide clause 14.2 of SEBI Master Circular for Mutual Funds dated May 19, 2023 by SEBI for the period of such delay.
Unclaimed Redemption and Income Distribution cum Capital Withdrawal Amount	<p>The unclaimed redemption and IDCW amounts may be deployed by the Mutual Fund in call money market or money market instruments or a separate plan of only Overnight scheme / Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Fund specifically for deployment of the unclaimed amounts. Provided that such schemes where the unclaimed redemption and dividend amounts are deployed shall be only those Overnight scheme/ Liquid scheme / Money Market Mutual Fund schemes which are placed in A-1 cell (Relatively Low Interest Rate Risk and Relatively Low Credit Risk) of Potential Risk Class matrix as per paragraph 17.5 of SEBI Master Circular for Mutual Fund dated May 19, 2023. AMCs shall not be permitted to charge any exit load in this plan and TER (Total Expense Ratio) of such plan shall be capped as per the TER of direct plan of such scheme or at 50bps whichever is lower.</p> <p>Investors who claim these amounts during a period of three years from the due date shall be paid at the prevailing Net Asset Value. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at prevailing NAV at the end of the third year. The income earned on such funds will be used for the purpose of investor education. The AMC will make a continuous effort to remind the investors through letters to take their unclaimed amounts. The Fund shall not be liable to pay any interest or compensation on unclaimed amount.</p> <p>For more details on how to claim the unclaimed redemption/IDCW amount, please refer to the website of the Fund viz. www.pgimindiamf.com.</p>
Disclosure w.r.t investment by minors	<p>Payment for investment by any mode shall be accepted from the bank account of the minor, parent or legal guardian of the minor, or from a joint account of the minor with parent or legal guardian. For existing folios, the AMCs shall insist upon a Change of Pay-out Bank mandate before redemption is processed.</p> <p>Irrespective of the source of payment for subscription, all redemption proceeds shall be credited only in the verified bank account of the minor, i.e. the minor may hold account with the parent/ legal guardian after completing all KYC formalities.</p> <p>Upon the minor attaining the status of major, the minor in whose name the investment was made, shall be required to provide all the KYC details, updated bank account details including cancelled original cheque leaf of the new account and his/her specimen signature duly authenticated by banker/guardian. Investors shall additionally note that, upon the minor attaining the status of major, the account shall be frozen for operation by the guardian on the day the minor attains the age of majority and no further transactions including standing instructions like SIP / STP / SWP shall be allowed till the documents for changing the status are received.</p>

	Further, all other requirement for investments by minor and process of transmission shall be followed in line with Paragraph 17.6 of SEBI Master Circular dated May 19, 2023, as amended from time to time.
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III. Other Details:

A. Periodic Disclosures:

<p>Monthly / Half – yearly Disclosures: Portfolio</p> <p>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.</p>	<p>The AMC, shall disclose portfolio (along with ISIN) in a user friendly & downloadable spreadsheet format, as on the last day of the month/half year for the scheme(s) on its website https://www.pgimindiamf.com/statutory-disclosure/financials and on the website of AMFI www.amfiindia.com within 10 days from the close of each month/half year.</p> <p>In case of unitholders whose email addresses are registered with, PGIM India Mutual Fund shall send via email both the monthly and half yearly statement of scheme portfolio within 10 days from the close of each month /half year respectively.</p> <p>The AMC shall publish an advertisement every half-year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the half yearly statement of the schemes portfolio on the AMC’s website www.pgimindiamf.com. and on the website of AMFI (www.amfiindia.com). The AMC shall provide physical copy of the statement of scheme portfolio without any cost, on specific request received from a unitholder.</p> <p>For further details, Kindly refer AMC website, SAI and AMFI website.</p>
<p>Half Yearly Results</p>	<p>The Mutual Fund shall within one month of the close of each half year i.e., 31st March and 30th September, upload the soft copy of its unaudited financial results containing the details specified in Regulation 59 on its website (https://www.pgimindiamf.com/statutory-disclosure/financials) and shall publish an advertisement disclosing uploading of such financial results on its website, in one English newspaper having nationwide circulation and in one regional newspaper circulating in the region where the head office of the Mutual Fund is situated. This shall also be displayed on the website of AMFI.</p> <p>For further details, Kindly refer AMC website, SAI and AMFI website.</p>
<p>Annual Report</p>	<p>The Scheme wise annual report or an abridged summary thereof shall be provided to all Unit holders not later than four months (or such other period as may be specified by SEBI from time to time) from the date of closure of the relevant accounting year (i.e., 31st March each year). Scheme wise annual report shall be displayed on the website of the AMC (www.pgimindiamf.com) and Association of Mutual Funds in India (www.amfiindia.com).</p> <p>In case of unitholders whose email addresses are available with the Mutual Fund, the scheme annual reports or abridged summary would be sent only by email. Unitholders whose email addresses are not available with the Mutual Fund will have an option of receiving a physical copy of scheme annual reports or abridged summary by post/courier. The AMC shall provide a physical copy of scheme annual report or abridged summary without charging any cost, upon receipt of a specific request from the unitholders, irrespective of registration of their email</p>

	<p>addresses. Physical copies of annual report will also be available to unitholders at the registered office at all times. The full annual report shall be available for inspection at the Head Office of the Mutual Fund and a copy shall be made available to the Unit holders on request on payment of nominal fees, if any.</p> <p>The AMC shall publish an advertisement every year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the scheme wise annual report on the AMC website(https://www.pgimindiamf.com/statutory-disclosure/financials) and on the website of AMFI (www.amfiindia.com).</p> <p>For further details, Kindly refer AMC website, SAI and AMFI website.</p>
Risk-o-meter	<p>Mutual Fund/AMCs shall disclose risk-o-meter of the scheme and benchmark while disclosing the performance of scheme vis-à-vis benchmark and shall send the details of the scheme portfolio while communicating the fortnightly, monthly and half-yearly statement of scheme portfolio via email. Any change in risk-o-meter shall be communicated by way of Notice cum Addendum and by way of an email or SMS to unitholders of that particular scheme. Risk-o-meter shall be evaluated on a monthly basis and Mutual Funds/AMCs shall disclose the Risk-o-meter along with portfolio disclosure for all their schemes on the website of the Mutual Fund (www.pgimindiamf.com) and that of AMFI (www.amfiindia.com) within 10 days from the close of each month.</p>
Scheme Summary Document	<p>The AMC has provided on its website a standalone scheme document for all the Schemes which contains all the details of the Scheme including but not limited to Scheme features, Fund Manager details, investment details, investment objective, expense ratios, portfolio details, etc. Scheme summary document is uploaded on the websites of AMC, AMFI and stock exchanges in 3 data formats i.e. PDF, Spreadsheet and a machine readable format (either JSON or XML).</p>

B. Transparency/NAV Disclosure:

The NAV of the Scheme will be calculated and disclosed on all Business Days. The AMC shall update the NAVs on the website of the AMC (www.pgimindiamf.com) and of the Association of Mutual Funds in India-AMFI (www.amfiindia.com) before 11:00 p.m. on every Business Day.

In case of any delay, the reasons for such delay would be explained to AMFI by the next Business Day. If the NAVs are not available before the commencement of Business Hours on the following Business day due to any reason, the Mutual Fund shall issue a press release giving reasons and explaining when the Mutual Fund would be able to publish the NAV.

Investor may write to AMC for availing facility of receiving the latest NAVs through SMS. The AMC shall disclose portfolio (along with ISIN) in a user friendly & downloadable spreadsheet format, as on the last day of the month/half year for the scheme(s) on its website www.pgimindiamf.com and on the website of AMFI www.amfiindia.com within 10 days from the close of each month/half year.

In case of unitholders whose email addresses are registered with PGIM India Mutual Fund, the AMC shall send via email both the monthly and half yearly statement of scheme portfolio within 10 days from the close of each month/half year respectively. The AMC shall publish an advertisement every half-year, in the all India edition of at least two daily newspapers, one each in English and Hindi, disclosing the hosting of the half yearly statement of the schemes portfolio

on the AMC’s website www.pgimindiamf.com and on the website of AMFI (www.amfiindia.com). The AMC shall provide physical copy of the statement of scheme portfolio without any cost, on specific request received from a unitholder.

C. Transaction charges and stamp duty:

Transaction charges:

In accordance with paragraph 10.5 of SEBI Master Circular for Mutual Fund dated May 19, 2023, the AMC/ Fund shall deduct a Transaction Charge on per purchase / subscription of Rs. 10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors.

Investors are requested to note that w.e.f. January 1, 2023, PGIM India has stopped deducting transaction charges for investments in Regular Plans, and consequently no transaction charges shall be deducted from the investment amount for transactions / applications received from the distributor (i.e. in Regular Plan) and full subscription amount will be invested in the Scheme.

Stamp Duty:

Mutual fund units issued against Purchase transactions (whether through lump-sum investments or SIP or STP or switch-ins or reinvestment under IDCW Option) would be subject to levy of stamp duty @ 0.005% of the amount invested. The rate and levy of stamp duty may vary as amended from time to time.

For further details, kindly refer SAI.

E. Associate Transactions:

Please refer to Statement of Additional Information (SAI).

F. Taxation:

For details on taxation please refer to the clause on Taxation in the SAI apart from the following:

	Resident Investors	Mutual Fund
Tax on dividend	Taxed in the hands of unitholders at applicable rate under the provisions of the Income-tax Act, 1961 (Act)	Taxed in the hands of unitholders at the rate of 20% under section 115A/ 115AD of the Act (plus applicable surcharge and health and education cess)
Capital gain Long Term:	10% (plus applicable surcharge and health and education cess) without indexation (Refer Note 5)	10% (plus applicable surcharge and health and education cess) without indexation (Refer Note 5)
Short Term:	15% (plus applicable surcharge and health and education cess)	15% (plus applicable surcharge and health and education cess)

The information is provided for general information only. However, in view of the individual

nature of the implications, each investor is advised to consult his or her own tax advisors / authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

Notes –

1. PGIM India Mutual Fund is a Mutual Fund registered with the Securities & Exchange Board of India and hence the entire income of the Mutual Fund will be exempt from income tax in accordance with the provisions of section 10(23D) of the Act.
2. Surcharge at the following rate to be levied in case of individual / HUF / non-corporate non-firm unit holders for equity oriented mutual fund:

Income	Individual /HUF / non-corporate non-firm unit holders
(a) Above Rs 50 lakh upto 1 crore (including dividend income and capital gains income under section 111A, 112 and 112A of the Act)	10%
(b) Above Rs 1 crore upto Rs 2 crores (including dividend income and capital gains income under section 111A and 112A of the Act)	15%
(c) Above Rs 2 crores upto Rs 5 crores [excluding dividend income (dividend received from domestic companies only) and capital gains income under section 111A, 112 and 112A of the Act]	25%
(d) Above Rs 5 crores [excluding dividend income (dividend received from domestic companies only) and capital gains income under section 111A, 112 and 112A of the Act]	37%*
(e) Above Rs 2 crores [including dividend income (dividend received from domestic companies only) and capital gains income under section 111A, 112 and 112A of the Act)] but not covered in point (c) and (d) above	15%

*Surcharge rate shall not exceed 25% in case of individual and HUF opting for new tax regime under section 115BAC of the Act.

3. Surcharge rates for Companies/ firm

Total Income	Rate of Surcharge for Domestic companies*	Rate of Surcharge for Foreign Companies
Above Rs 1 crore upto Rs 10 crores	7%	2%
Above Rs 10 crores	12%	5%

*Surcharge rate shall be 10% in case resident companies opting taxation under section 115BAA and section 115BAB of the Act on any income earned.

In case of firm with total income exceeding Rs 1 crore, surcharge rate shall be 12%.

4. Health and Education cess at 4% on aggregate of base tax and surcharge.
5. As per section 112A of the Act, long-term capital gains, exceeding Rs 1,00,000, arising from transfer of equity oriented mutual funds, shall be chargeable at the rate of 10% (plus applicable surcharge and health and education cess).
6. The Scheme will attract securities transaction tax (STT) at 0.001% on the redemption value.

7. Withholding of Taxation by Mutual Fund will as per applicable withholding tax rate.
8. All the above non-resident investors may also claim the tax treaty benefits available, if any.

G. Rights of Unitholders:

Please refer to the Statement of Additional Information for details.

H. List of official points of acceptance:

To get more information on list of official point of acceptance, Please refer link:
<https://www.pgimindiamf.com/statutory-disclosure/sid-kim-sai-related-disclosures>

I. Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations For Which Action May Have Been Taken Or Is In The Process Of Being Taken By Any Regulatory Authority

1. Penalties and action(s) taken against foreign Sponsor during the last three years in the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor are carried out or where the headquarters of the Sponsor is situated:- *None*
2. Monetary penalties imposed and/ or action taken against Indian Sponsor (if any) during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to shareholders or debenture holders and depositors, or for economic offences, or for violation of securities law including details of settlement, if any, arrived at with the aforesaid authorities during the last three years:- *None*
3. Details of violations and enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party:-
 - SEBI vide it's Final Order dated February 11, 2022, levied a penalty of R. 6 lakhs on Dr. V.R. Narasimhan for an alleged violation of Securities Contracts (Regulations) (Stock Exchanges and Clearing Corporations) Regulations, 2012 relating to the period when he was Chief Regulatory Officer and Compliance Officer at NSE during 2016. Dr. Narasimhan has appealed the Final Order.
 - SEBI conducted a thematic inspection of PGIM India Mutual Fund for the period from August 1, 2018 to February 28, 2019. SEBI had issued a Show Cause Notice on April 13, 2022 to PGIM India Asset Management Private Limited and certain officials and ex-officials with allegations relating to Inter Scheme Transfers and Valuation of Downgraded Securities. The AMC and other noticees replied to the Show Cause Notice and availed of a personal hearing, after which, SEBI has issued an Order dated June 30, 2022 imposing a penalty of Rs. 25,00,000/- on the AMC; Rs. 5,00,000/- on the Chief Executive Officer; and Rs. 2,00,000/- each on the Head of Fixed Income and two ex-officials. The AMC has filed an appeal before the Securities Appellate Tribunal against the SEBI order dated June 30, 2022 to the extent of the findings and penalty imposed by SEBI. The SAT bench had passed a stay order on the impugned order,

subject to deposit of 50% of the penalty imposed upon the Appellants. Accordingly, the Appellants have paid an amount of INR 18 lakhs on September 13, 2022.

4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party:-*None*
5. Any deficiency in the systems and operations of the Sponsor and/ or the AMC and/ or the Board of Trustees/Trustee Company requiring disclosure here by SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency:- *None*

The above information has been disclosed in good faith as per the information available to the AMC.

Please refer AMC website for latest updates on Penalties, Pending Litigation or Proceedings, Findings of Inspections or Investigations

Please refer link: <https://www.pgimindiamf.com/statutory-disclosure/sid-kim-sai-related-disclosures>

The Scheme under this Scheme Information Document was approved by the Board of Directors of PGIM India Trustees Private Limited (Trustees to PGIM India Mutual Fund) on September 05, 2023. The Trustees have ensured that the Scheme approved is a new product offered by PGIM India Mutual Fund and is not a minor modification of its existing schemes.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

For PGIM India Asset Management Private Limited
(Asset Management Company to PGIM India Mutual Fund)

Sd/-
Ajit Menon
Chief Executive Officer

Place: Mumbai
Date: June 26, 2024