

PGIM INDIA DYNAMIC BOND FUND

An open ended dynamic debt scheme investing across duration.
A relatively high interest rate risk and relatively low credit risk scheme.

Rated AAAMfs by ICRA##

April 2024



PGIM
India Mutual Fund

Why invest in PGIM India Dynamic Bond Fund?

- PGIM India Dynamic Bond Fund is rated as [ICRA] AAAMfs denoting the highest level of safety regarding timely receipt of payments from the investments the scheme has made.
- PGIM India Dynamic Bond Fund is an actively managed duration fund. The Fund seeks to generate Alpha by taking calls based on active duration / interest rates or on spreads between the curves (that is, the AAA and Government securities) or on the shape of the yield curve.

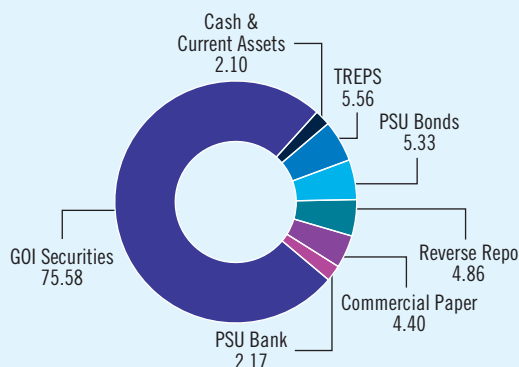
Portfolio Positioning*

- The Fund typically invests predominantly in Government Securities and AAA rated High Quality PSU / Corporate Bonds. The Fund is an actively managed duration fund.

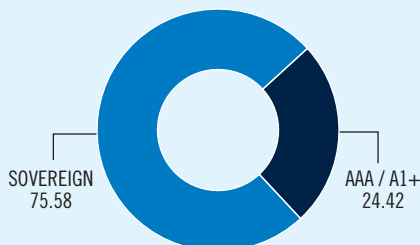
Who should invest?

PGIM India Dynamic Bond Fund is meant for investors who are averse to holding credit risk but who have an appetite to handle volatility arising from duration risk in the portfolio. Ideally meant for investors with a horizon of 18 months and longer.

Asset Allocation (% AUM)



Credit Quality Profile (% AUM)



Fund Details

AUM as on April 30, 2024 (₹ in Crore):	112.86
For the Debt Portfolio	
Portfolio Yield (%)	7.30
Modified Duration (years)	6.50
Average Portfolio Maturity (years)	11.70
Macaulay Duration (years)	6.74

Portfolio Holdings

Issuer	% to Net Assets	Rating
7.18 G Sec Mat 2037	47.46	SOV
7.18 GOI Mat 2033	19.91	SOV
7.25 GOI Mat 2063	7.68	SOV
Rural Electrification Corporation Ltd.	5.33	CRISIL AAA
L&T Finance Ltd.	4.40	CRISIL A1+
National Bank For Agriculture & Rural Development	1.32	CRISIL AAA
State Bank of India	0.85	CRISIL AAA
6.99 GOI Mat 2051	0.27	SOV
7.41% GOI 2036	0.18	SOV
7.26 GOI Mat 2033	0.07	SOV

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

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

All the above data are as on April 30, 2024.

* These are based on fund manager's current outlook & Subject to change.

Fund Manager's View

- Global cues were the dominant theme for Indian bond markets in April, as yields came under pressure on firming up of global bond yields, especially in the US. Yields were higher, both in the money market and the longer end of the yield curve. The benchmark 10 yr bond yield was up 13 bps while the shorter maturity money market yields (3-6 months maturity) were higher by 15-20 bps as compared to levels seen in the first week of April. In fact, for the money market segment it was a month of two halves, as in the first half of April money market yields came down, while in the second half of the month yields went up. Banking sector liquidity tightened after the GST outflows and also owing to the fact that government surplus continued to build up while spending was in the slow lane and is expected to remain slow till after the general elections get over. Economic data continued its strong run with the revised services PMI coming in at the highest point in the last 13 years. The composite PMI number came in at 61.8, higher than last month's print of 60.60. The IIP and inflation numbers were in line with expectations, though core inflation continued to print lower, coming in at 3.26%, a new low in this series. GST collection crossed the INR 2 tr mark coming in at INR 2.10 tr, a growth of 12.4% YoY. Strong GDP growth rate, stable inflation and external position underscore the current strong macroeconomic position of India, though INR came under pressure during the month on back of a stronger dollar index. INR touched a low of 83.54 against the USD before ending the month at 83.44. FPI inflows in the bond markets turned negative for the first time in seven months as US yields surged. FPI's pulled out USD 1.31 bn from Indian bond markets, though on a CYTD basis FPI flows into debt remains positive at USD 4.40 bn. The yield curve, which had bull flattened over the course of the last couple of months, remained flat as demand-supply dynamics were favourable.
- The OIS curve echoed the bond curve and went higher during the month. 1 yr OIS was up 13 bps ending the month at 6.88% while the 5 yr OIS was up by 26 bps during the month, ending the month at 6.60%. The 1 yr OIS is currently not pricing in any rate cuts over the course of the year.
- Bank of Japan (BOJ) stayed pat on rates after ending its negative interest rate policy in March and given the recalibration on the interest rate outlook of the US Fed, Yen came under pressure before BOJ intervened to stabilise the Yen. While the US Fed stuck to its forecast of rate cuts in the FOMC meeting on May 1, 2024, the US bond market is currently pricing in one rate cut and is split on the possibility of a second rate cut by the end of CY2024. US economic data continues to be quite robust while inflation is proving to be sticky leading the US bond markets to scale back their expectations of rate cuts during 2024. The benchmark US 10 yr yield was higher by 48 bps during April, ending the month at 4.68%.
- Going ahead we believe that RBI is likely to be on a long pause and is likely to start cutting rates only after the developed market central banks start their rate cutting cycle. Given the current growth - inflation dynamics in India, we believe that rate cuts will start from Q3/Q4 of FY 2025 onwards. Markets tend to react before the start of a rate cutting cycle and the current retracement in yields offers a good opportunity to investors to increase their allocation to fixed income as real and nominal yields remain attractive with favourable demand-supply dynamics playing out in the sovereign bond market.

About Us

PGIM India Mutual Fund is a wholly owned business of PGIM, the global investment management business of the US based Prudential Financial, Inc. (PFI). PGIM India Asset Management is the full service investment manager of PGIM India Mutual Fund, offering a broad range of equity and fixed income solutions to retail and institutional investors throughout the country. We manage 22 open-ended funds operated by 14 investment professionals. In addition to managing our investors assets through domestic Mutual Funds, we also offer Offshore Funds and Portfolio Management Services. The fund house leverages the strength and stability of PGIM's 145-year legacy to build on its decade long history in India. Headquartered in Mumbai, PGIM India Mutual Fund has a presence in 27 cities across the country. PGIM India Mutual Fund brings a rich blend of global resources, intellectual acumen and local investment expertise and is committed to designing superior and meaningful, wealth building solutions for our investors. PGIM India provides unique training and educational programs for building exceptional capabilities and best business practices for its business associates.

Asset Allocation

Instruments	Indicative allocations (% of total Assets)		Risk Profile
	Minimum	Maximum	
Money market instruments & Debt Securities	0%	100%	Medium

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

Key Features



Benchmark index:
CRISIL Dynamic Bond Fund AIII Index@
(@w.e.f. April 01, 2022, the benchmark has been changed from CRISIL Composite Bond Fund Index to CRISIL Dynamic Bond Fund AIII Index.)



Fund Manager:
Mr. Puneet Pal and
(w.e.f. September 13, 2022) Mr. Bhupesh Kalyani



Exit load: Nil

Potential Risk Class

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

Macaulay Duration: The Macaulay duration is the weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price.

##ICRA has assigned the "[ICRA] AAAMfS" (pronounced as ICRA triple A m f s) rating to the PGIM India Dynamic Bond Fund. Schemes with this rating are considered to have the highest degree of safety regarding timely receipt of payments from the investments that they have made. The ratings should, however, not be construed as an indication of the performance of the Mutual Fund scheme or of volatility in its returns. For complete rating scale and definitions please refer to ICRA's Website www.icra.in or other ICRA Rating Publications. ICRA Credit Quality Rating Methodology for debt mutual fund schemes ICRA's mutual fund rating methodology is based on evaluating the inherent credit quality of the fund's portfolio. As a measure of the credit quality of a debt fund's assets, ICRA uses the concept of "credit scores". These scores are based on ICRA's estimates of credit risk associated with each exposure of the portfolio taking into account its maturity. To quantify the credit risk scores, ICRA uses its database of historical default rates for various rating categories for various maturity buckets. The credit risk ratings incorporate ICRA's assessment of a debt fund's published investment objectives and policies, its management characteristics, and the creditworthiness of its investment portfolio. ICRA reviews relevant fund information on an ongoing basis to support its published rating opinions. If the portfolio credit score meets the benchmark of the assigned rating during the review, the rating is retained. In an event that the benchmark credit score is breached, ICRA gives a month's time to the debt fund manager to bring the portfolio credit score within the benchmark credit score. If the debt fund manager is able to reduce the portfolio credit score within the benchmark credit score, the rating is retained. If the portfolio still continues to breach the benchmark credit score, the rating is revised to reflect the change in credit quality.

pgim india mutual fund



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Connect with us on:



The views of the Fund Manager should not be construed as an advice and investors must make their own investment decisions regarding suitability of the funds based on their specific investment objectives and financial positions and using such independent advisors as they believe necessary.

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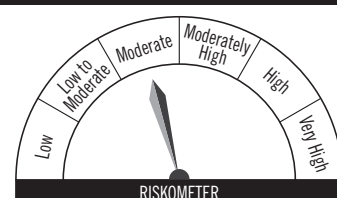
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Riskometer

This product is suitable for investors who are seeking*:

- Regular income for short term
- To generate returns through active management of a portfolio of debt and money market instruments
- Degree of risk – MODERATE

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



Investors understand that their principal will be at moderate risk