PGIM India Mutual Fund

PGIM INDIA MONEY MARKET FUND

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

Rated A1+mfs by ICRA##

April 2024

Money Market Fund – A worthwhile option for the short term

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

Why invest in PGIM India Money Market Fund?

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

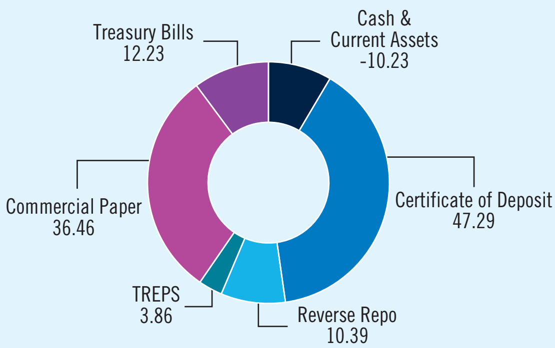
Portfolio Positioning* and Strategy

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

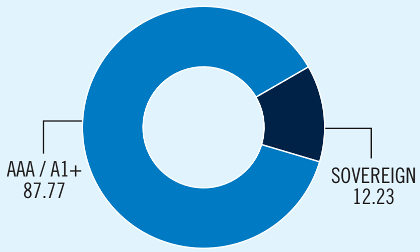
Who should invest?

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

Asset Allocation (% AUM)



Credit Quality Profile (% AUM)



Maturity Profile as on April 2024 (% of AUM)

0-1M	0.86
1-3M	0.00
3-6M	0.00
6-9M	2.04
9-12M	93.10
Others	4.00

Fund Details#

Portfolio Yield (%)	7.55
Average Maturity	9.79 Months
Modified Duration	9.10 Months
Macaulay Duration	9.79 Months

Portfolio (Top Ten Holdings)

Issuer	% to Net Assets	Rating
364 Days T Bill MAT - 06-Mar-2025	10.18	SOV
HDFC Bank Ltd.	10.17	CARE A1+
Punjab National Bank	9.79	CRISIL A1+
EXIM Bank	9.32	CRISIL A1+
Canara Bank	8.09	CRISIL A1+
ICICI Securities ltd	8.08	CRISIL A1+
Aditya Birla Finance	8.08	ICRA A1+
LIC Housing Finance Ltd.	8.08	CRISIL A1+
National Bank For Agriculture & Rural Development	7.90	CRISIL A1+
Indian Bank	7.29	CRISIL A1+

The above numbers are based on data from since inception of the fund to April 30, 2024
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	0%	100%	Low

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

Key Features

Benchmark index:
CRISIL Money Market A-I Index
(w.e.f. March 13, 2024, the benchmark of the scheme has been changed from CRISIL Money Market B-I Index to CRISIL Money Market A-I Index)

Fund Manager:
(w.e.f. July 16, 2022) Mr. Puneet Pal and
(w.e.f. September 13, 2022) Mr. Bhupesh Kalyani

Exit load: Nil.

Potential Risk Class

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

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

ICRA has assigned the "[ICRA]A1+mfs" (pronounced as ICRA A one plus m f s) rating to the PGIM India Money Market Fund. Schemes with "[ICRA]A1mfs" rating are considered to have very strong degree of safety regarding timely receipt of payments from the investments that they have made. Modifier {"+" (plus)} can be used with the rating symbol to reflect the comparative standing within the category. The ratings should, however, not be construed as an indication of the performance of the Mutual Fund scheme or of volatility in its returns For complete rating scale and definitions please refer to ICRA's Website www.icra.in or other ICRA Rating Publications ICRA Credit Quality Rating Methodology for debt mutual fund schemes. ICRA's mutual fund rating methodology is based on evaluating the inherent credit quality of the fund's portfolio. As a measure of the credit quality of a debt fund's assets, ICRA uses the concept of "credit scores". These scores are based on ICRA's estimates of credit risk associated with each exposure of the portfolio taking into account its maturity. To quantify the credit risk scores, ICRA uses its database of historical default rates for various rating categories for various maturity buckets. The credit risk ratings incorporate ICRA's assessment of a debt fund's published investment objectives and policies, its management characteristics, and the creditworthiness of its investment portfolio. ICRA reviews relevant fund information on an ongoing basis to support its published rating opinions. If the portfolio credit score meets the benchmark of the assigned rating during the review, the rating is retained. In an event that the benchmark credit score is breached, ICRA gives a month's time to the debt fund manager to bring the portfolio credit score within the benchmark credit score. If the debt fund manager is able to reduce the portfolio credit score within the benchmark credit score, the rating is retained. If the portfolio still continues to breach the benchmark credit score, the rating is revised to reflect the change in credit quality.

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

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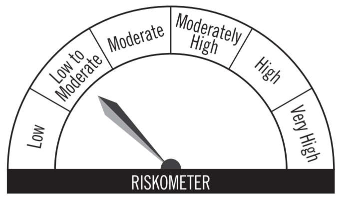
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Riskometer

This product is suitable for investors who are seeking*:

- Regular income for short term
- Investments in Money Market instruments
- Degree of risk – LOW TO MODERATE

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



Investors understand that their principal will be at low to moderate risk

C23-n/2024-25