



# PGIM INDIA CREDIT RISK FUND

An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds)

February 2020

## Why invest in PGIM India Credit Risk Fund?

The PGIM India Credit Risk Fund is an accrual fund that invests in a portfolio of securities with a relatively high accrual. The fund predominantly invests in AA/A and equivalent rated papers.

### Sources of Value Addition

- **Carry/Coupon accrual:** Overall return on the fund would be driven primarily by higher absolute accruals /'carry'
- **Roll-down Effect:** The fund also benefits from a curve roll-down' effect.
- **Yield Decline/Rate cuts:** Capital appreciation can also arise from potential softening in yields on the back of improving macro economic factors.
- **Play on credit upcycle:** As the economic recovery picks up, entities in the A and AA rated space could enjoy positive rating migration; which can lead to price appreciation.

## Investment Strategy

- The fund's investment strategies will focus on constructing fixed income portfolios across the credit spectrum in line with above objective, maintaining an optimum balance of credit quality, liquidity and yield.
- The fund has an actively managed portfolio of short and medium term corporate bonds
- The Portfolio follows an accrual strategy
- The fund is positioned to capture opportunities in the accrual and credit space.

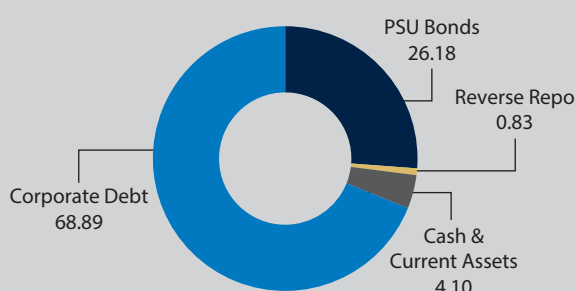
## Portfolio Positioning\*

- Portfolio is invested in a diversified mix of AAA and AA rated issuers

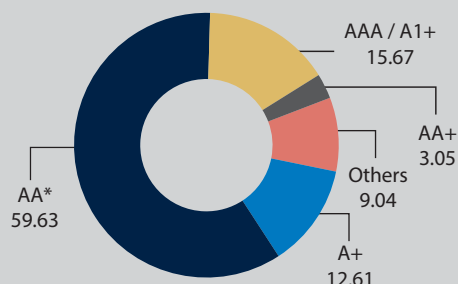
## Who should invest?

Investors looking to invest in a low volatility product with a 3 year time frame, can consider PGIM India Credit Risk Fund as an ideal investment avenue.

### Asset Allocation (% AUM)



### Credit Quality Profile (% AUM)



\*AA includes securities rated as AA and AA-

## Fund Details

AUM as on February 28, 2020 (₹ in Crore):	328.68
<b>For the Debt Portfolio</b>	
Portfolio Yield (%)	10.63
Modified Duration (years)	1.35
Average Portfolio Maturity (years)	1.75

## Portfolio (Top Ten Holdings)

Issuer	% to Net Assets	Rating
Hansdeep Industries & Trading Company Ltd <sup>1</sup>	12.22	CARE AA-(CE)
Green Infra Wind Energy Ltd <sup>2</sup>	12.21	CRISIL AA
UP Power Corporation Limited	10.63	AA(IND)(SO)
Punjab And Sind Bank	9.32	ICRA A+
Nuvuco Vistas Ltd <sup>3</sup>	9.25	CRISIL AA
Tata Housing Development Company Ltd	7.72	ICRA AA
Nirma Limited	7.60	CRISIL AA-
Yes Bank Ltd.	6.46	BBB-(IND)
S.D. Corporation Pvt Ltd.	3.23	CARE A+(CE)
Shriram Transport Finance Co. Ltd.	3.05	CRISIL AA+

<sup>1</sup> Wholly owned by J.K. Lakshmi Cement

<sup>2</sup> Part of Sembcorp / Temasek Singapore

<sup>3</sup> Owned by Nirma Group

All the above data are as on February 28, 2020

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

## Key Features



### Benchmark Index:

NIFTY Credit Risk Bond Index (w.e.f. November 01, 2019 benchmark of the scheme has been changed from CRISIL Composite AA Short Term Bond Index to NIFTY Credit Risk Bond Index)



### Fund Manager:

Mr. Kumaresh Ramakrishnan and Mr. Viral Shah (Mr. Viral Shah has been appointed as the Co-Fund Manager w.e.f. December 01, 2019)



**Minimum application amount:** Minimum of Rs. 5000/- and in multiples of Re. 1/- thereafter.

**Minimum additional investment amount:** Minimum of Rs. 1000/- and in multiples of Re. 1/- thereafter or 100 units.

**Minimum repurchase / redemption amount:** Minimum of Rs. 100/- and in multiples of Re. 1/- thereafter or 0.1 units or account balance, whichever is lower.



### Long Term Withdrawal Facility:

- Long Term Withdrawal Facility instalment amount per month can be fixed at 0.75%, 0.60% or 0.50% of the investment amount and will be rounded-off to the nearest highest multiple of Re.1. Minimum amount required for availing the said facility is Rs.1 lakh
- Monthly, stable cash flow
- Tax Efficient: Long Term Withdrawal Facility is a tax efficient and convenient way to manage monthly cash flows. Only realized gains each month would be subject to capital gains tax.
- No TDS: There is no Tax Deduction at Source (TDS) for resident investors on redemptions from a mutual fund scheme, so you get to enjoy the full benefits of your investment.
- Start getting cashflows from the immediately following month, provided a minimum time gap of 30 days from the date of request.

**Long Term Withdrawal Facility is only a feature for regular withdrawal from the scheme and shall not be construed as an assurance or guarantee of return.**



**Exit load:** 10% of the units allotted may be redeemed without any exit load within 1 year from the date of allotment; Any redemptions in excess of the above mentioned limit would be subject to an exit load of 1%, if the units are redeemed within 1 year from the date of allotment of units; Nil - If the units are redeemed after 1 year from the date of allotment of units.

No exit load will be charged for switches and STP between schemes of PGIM India Mutual Fund except from PGIM India Insta Cash Fund. However, exit load will continue to apply for redemptions.

## About Us

PGIM India Mutual Fund is a wholly owned business of PGIM, the global investment management business of the US based Prudential Financial, Inc. (PFI). PGIM India Mutual Fund offers a broad range of equity and fixed income solutions to retail and institutional investors throughout the country. We manage 19 open-ended funds operated by 15 investment professionals. In addition to managing our investors assets through domestic Mutual Funds, we also offer Offshore Funds and Portfolio Management Services. The fund house leverages the strength and stability of PGIM's 140-year legacy to build on its decade long history in India.

PGIM is the global investment management business of PFI, one of the top 10 investment managers\* with over USD 1.3 trillion<sup>1</sup> in asset under management. PGIM offers a wide range of actively managed asset classes and investment styles including Equities, Fixed Income and Real Estate. It has its presence across 16 countries in 38 offices with over 1,300+ investment professionals.

<sup>1</sup>All Information as of September 30, 2019.

\*Pensions & Investments Top Money Manager's list, May 27, 2019. AUM as of December 31, 2018. IPE Research: Top 400 Asset Managers, June 9, 2019. Based on December 31, 2018 assets under management.

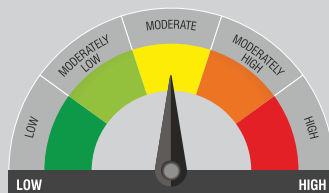
Source: www.pgim.com

## Riskometer

This product is suitable for investors who are seeking\*:

- Income and capital appreciation over medium to long term
- Investments predominantly in AA and below rated corporate debt securities (excluding AA+ rated corporate bonds) of various maturities
- 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

## Investment Style Box

### Credit Quality

High Medium Low

			High
			Medium
			Low
			Very Low

Interest Rate Sensitivity

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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1800 2667 446

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