MUTUAL FUNDS Sahi Hai

PGIM INDIA ULTRA SHORT DURATION FUND

PGIM India Mutual Fund

(Earlier known as PGIM India Ultra Short Term Fund)

An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 months to 6 months. A relatively low interest rate risk and moderate credit risk scheme.

Rated AAAmfs by ICRA##

April 2022

Why invest in PGIM India Ultra Short Duration Fund?

PGIM India Ultra Short Duration Fund is a low to moderate risk fund for short term investing needs.

Investment Strategy

- The aim of the investment strategy is to generate returns with a low to moderate risk, particularly minimal interest rate risk strategy.
- The Scheme shall be actively managed and the Fund Management team shall formulate an active view of the interest rate movement by monitoring various parameters of the Indian economy, as well as developments in global markets.
- The Macaulay Duration of the portfolio will be maintained between 3 months to 6 months.

Portfolio Characteristics*

- The fund has been maintaining a high quality mix of liquid and short term securities which seeks to deliver steady returns with lower volatility.
- Predominantly invested in money market securities and short term bonds.

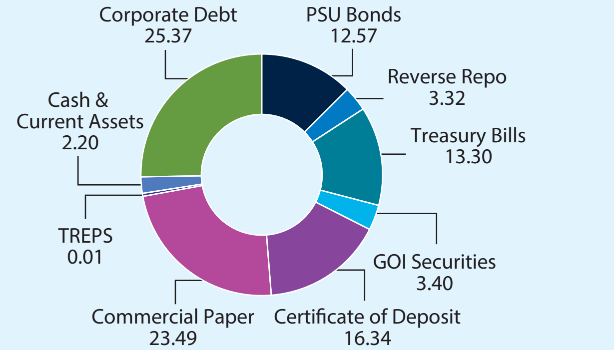
Portfolio Positioning*

- PGIM India Ultra Short Duration Fund does not take duration calls and maintains 'mark to market' exposure at nominal levels in order to moderate volatility in returns.
- Strict control on average maturity, limits the return volatility on the fund.
- Investment in AAA/A1+ rated securities and Sovereign bonds is 100.00%.

Who should invest?

PGIM India Ultra Short Duration Fund is ideal for investors looking at investing their surplus money for a period of 2-3 months.

Asset Allocation (% AUM)



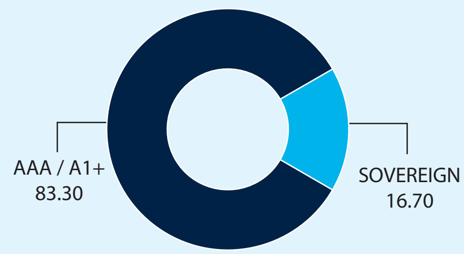
Fund Details

AUM as on April 30, 2022 (₹ in Crore):	745.42
For the Debt Portfolio	
Portfolio Yield (%)	4.50
Modified Duration (months)	4.44
Average Portfolio Maturity (months)	4.68
Macaulay Duration (months)	4.68

Maturity Profile As on April 2022 (%)

0-1M	6.09	6-9M	13.33
1-3M	40.51	9-12M	4.39
3-6M	29.41	12M +	6.27

Credit Quality Profile (% AUM)



Portfolio (Top Ten Holdings)

Issuer	% to Net Assets	Rating
Axis Bank Ltd.	7.65	CRISIL A1+
Aditya Birla Finance	6.76	ICRA AAA
Reliance Jio Infocomm Limited	6.66	CRISIL A1+
182 Days Tbill Mat 2022	6.65	SOV
Jamnagar Utilities & Power Private Ltd	6.63	CRISIL A1+
L And T Finance Ltd (Old Name Family Credit Ltd)	6.27	CRISIL AAA
Bajaj Housing Finance Ltd	6.07	CRISIL AAA
HDFC Bank Ltd.	6.04	CRISIL A1+
182 Days Tbill Mat 2022	5.98	SOV
Housing & Urban Development Corporation Ltd	5.80	CARE AAA

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

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

Fund Manager's View

- Bond yields across the world surged in April as markets started pricing in aggressive rate hikes by developed market central banks and India was no exception to the trend. The MPC meeting on 8th April set the tone for higher bond yields as RBI struck a relatively hawkish tone that was not anticipated by the markets. The RBI raised its Inflation target for FY23 to 5.70% from 4.50% and prioritized inflation over growth. Yields sold off across the curve with a distinct flattening bias.
- The 5-yr segment of the curve reacted the most with yields going up by 58bps while the yield on the benchmark 10-yr bond went up by 30bps.
- Inflation surprised on the upside, coming in at 6.95% as against the expectations of 6.40%. INR depreciated by 0.68% during the month ending the month at 76.43 from 75.91 at the beginning of the month.
- The Monetary Policy Committee (MPC), in an unscheduled meeting during 2-4th May 2022 announced a surprise repo rate hike of 40bp and a CRR hike of 50 bps. The MPC decision to hike rates was unanimous.
- The MPC highlighted upside risk to the Inflation Guidance given in their April Policy stating that "Heightened uncertainty surrounds the inflation trajectory, which is heavily contingent upon the evolving geopolitical situation. Global commodity price dynamics are driving the path of food inflation in India, including prices of inflation-sensitive items that are impacted by global shortages due to output losses and export restrictions by key producing countries. International crude oil prices remain high but volatile, posing considerable upside risks to the inflation trajectory through both direct and indirect effects. Core inflation is likely to remain elevated in the coming months, reflecting high domestic pump prices and pressures from prices of essential medicines. Renewed lockdowns and supply chain disruptions due to resurgence of COVID-19 infections in major economies could sustain higher logistics costs for longer. All these factors impart significant upside risks to the inflation trajectory set out in the April statement of the MPC".
- On growth, the MPC stated that "the Indian economy appears capable of weathering the deterioration in geopolitical conditions but it is prudent to continuously monitor the balance of risks".
- The MPC statement concluded by stating, "MPC is of the view that while economic activity is navigating the vortex of forces confronting the world with resilience on the strength of underlying fundamentals and buffers, the risks to the near-term inflation outlook are rapidly materializing, as reflected in the inflation print for March and the developments thereafter. In this milieu, the MPC expects inflation to rule at elevated levels, warranting resolute and calibrated steps to anchor inflation expectations and contain second round effects. Accordingly, the MPC decided to increase the policy repo rate by 40 basis points to 4.40 per cent."

Accommodative stance was retained

- Since the last MPC policy in April, global central banks have been aggressive in their communication and action against the surge in inflation. We believe that central banks will be front-loading rate hikes and the RBI will be no exception to this. We expect the RBI to hike the repo rate by 25-35 bps in its June meeting.
- Going ahead, we expect the yield curve to flatten more. The spreads between AAA bonds and G-Sec have compressed to historically low levels and we expect them to gradually widen as the surplus liquidity in the system reduces.
- We continue to be underweight duration as we expect inflation to surprise on the upside and will look to tactically add duration at yields of 7.50% or higher on the 10-yr bond. We would also continue to be underweight corporate bonds.

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 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. Headquartered in Mumbai, PGIM India Mutual Fund has a presence in 27 cities across the country. PGIM India Mutual Fund brings a rich blend of global resources, intellectual acumen and local investment expertise and is committed to designing superior and meaningful, wealth building solutions for our investors. PGIM India provides unique training and educational programs for building exceptional capabilities and best business practices for its business associates.

Asset Allocation

Instruments	Indicative allocations (% of total Assets)		Risk Profile
	Minimum	**Maximum**	
Debt and Money Market Instruments including Government securities	0%	100%	Low to Medium

The Macaulay Duration of the portfolio will be maintained between 3 months to 6 months. Please refer to the Scheme Information Document for more details on asset allocation.

Key Features

Benchmark index:
CRISIL Ultra Short Duration Fund BI Index@
(@w.e.f. April 01, 2022, the benchmark has been changed from CRISIL Ultra Short Term Debt Index to CRISIL Ultra Short Duration Fund BI Index.)

Fund Manager:
Mr. Kunal Jain and (w.e.f. December 01, 2021) Mr. Ankit Shah

Exit load: (w.e.f. January 10, 2022) 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] AAAmfs" (pronounced as ICRA triple A m f s) rating to the PGIM India Ultra Short Duration 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.

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.

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

Riskometer

This product is suitable for investors who are seeking*:

- Income over the short term
- Investment in short term debt and money market instruments
- Degree of risk – LOW TO MODERATE

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

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

C201/2022-23