



PGIM
India Mutual Fund

Bid Goodbye to High Dividend Distribution Tax!

PGIM INDIA LONG TERM WITHDRAWAL FACILITY

The most tax efficient option
to get monthly, stable cash flows!

What is Long Term Withdrawal Facility?

Long Term Withdrawal Facility allows you to redeem a fixed sum of money periodically in the most tax efficient manner. By opting for the growth option and not paying high dividend distribution tax Long Term Withdrawal Facility enables a steady flow of income that will help you augment your finances.

Why Opt for Long Term Withdrawal Facility?

- **Consistent and Regular Cash Flow:** Choose the amount that you need every month and specify the date you want the money, and relax! Every month, the amount will be automatically credited to your bank account.
- **Predictable Cash Flow:** Unlike a Dividend option in a mutual fund scheme, Long Term Withdrawal Facility ensures a fixed monthly withdrawal and reduces the uncertainty from unpredictable dividend payments.
- **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.

Features of Long Term Withdrawal Facility:

- Long Term Withdrawal Facility has been introduced under the following schemes:
 - PGIM India Credit Risk Fund
 - PGIM India Short Maturity Fund

- Long Term Withdrawal Facility instalment amount per month can be fixed at 0.75%, 0.60% (w.e.f. November 01, 2016) 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
- Start getting cash flows from the immediately following month, provided a minimum time gap of 30 days from the date of request.

Exit Load Structure

PGIM India Credit Risk Fund: (w.e.f. October 03, 2019)

- 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 abovementioned 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. However, exit load will continue to apply for redemptions.

PGIM India Short Maturity Fund:

- 0.50% If redeemed on or before 6 months from the date of allotment;
- Nil If redeemed after 6 months from the date of allotment.

How tax efficient is Long Term Withdrawal Facility?

Let us look at an example where an investor (Resident Individual/HUF) invests Rs. 10 lakh in one of the schemes with Long Term Withdrawal Facility, opting for a 0.75% withdrawal every month, on the invested amount. For the sake of ease, we shall assume that the NAV grows at a constant rate of 9% per annum.

Illustration of Effective Tax Rates under Long Term Withdrawal Facility				
Total Taxable Income in INR	Effective Tax Rate (%)			
	Long Term Withdrawal Facility (3 Years Holding Period)	Long Term Withdrawal Facility (5 Years Holding Period)	Effective Income Distribution Tax Rate for Dividend	Bank FDI
From 2.5 lakh to 5 lakh	1.22%	1.668%	29.12%	5.20%
From 5 lakh to 10 lakh	4.87%	6.672%	29.12%	20.00%
From 10 lakh to 1 crore	7.30%	10.007%	29.12%	31.512%

Figures as calculated on October 14, 2019. Past performance is not a guarantee of future returns. Please consult your tax advisor for exact tax implications.

Disclaimer: - The above table is for illustration purpose only and should not be construed as an investment advice. The effective tax rates applicable for redemption using Long Term Withdrawal Facility stated above are calculated assuming that 0.75% of the invested amount was redeemed on a monthly basis from the next month of investment and the balance amount was redeemed at the end of 3 years/ 5 years as stated above. For redemptions before 3 years, applicable short term capital gain tax has been applied and redemption after 3 years, long term capital gain taxes with indexation benefits was applied. The tax rates and provisions assumed here are as per the prevailing Income Tax Act and Rules and subject to amendments from time to time. Investors are requested to seek advice from their financial/ tax advisors before making any investments. PGIM India Mutual Fund/ PGIM India Asset Management Private Limited (erstwhile DHFL Pramerica Asset Managers Pvt. Ltd.) shall not be responsible/ liable for any decision taken on the basis of the above illustration.

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.

Long Term Withdrawal Facility gives you the lowest tax incidence and a stable cash flow! Why invest anywhere else?

Talk to your advisor and fill up the form right away!

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 16 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 1.2 trillion¹ 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 15 countries in 37 offices with over 1,200+ investment professionals.

¹All Information as of March 31, 2019. Source: www.pgim.com

Riskometer

Scheme Name	This product is suitable for investors who are seeking*	
PGIM India Credit Risk Fund (An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds))	<ul style="list-style-type: none"> Income and capital appreciation over medium to long term Investment predominantly in corporate bonds of various maturities and across ratings Degree of risk – MODERATE 	
PGIM India Short Maturity Fund (An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year to 3 years)	<ul style="list-style-type: none"> Income over the medium term Investment in short term debt and money market instruments Degree of risk – MODERATE 	

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

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