

# PGIM INDIA LIQUID FUND

(Earlier known as PGIM India Insta Cash Fund)  
An open ended liquid scheme. A relatively low interest rate risk and moderate credit risk scheme.

Rated A1+mfs by ICRA##

April 2024



**PGIM**  
India Mutual Fund

## Why invest in PGIM India Liquid Fund?

PGIM India Liquid Fund is a low to moderate risk fund that seeks to generate steady returns with high liquidity by investing in a portfolio of short term, high quality money market and debt instruments. The portfolio is rated A1+mfs by ICRA, denoting the strong degree of safety regarding timely receipt of payments from the investments the scheme has made.

## Investment Strategy

- PGIM India Liquid Fund seeks to deliver reasonable market related returns with lower risk and higher liquidity through a portfolio of debt and money market instruments.
- Fund managers will manage portfolios based on the outlook on interest rates and liquidity etc. Such outlook will be developed by in-house assessment of various macro factors like economic growth, inflation, credit pick-up, liquidity and other such factors as considered relevant.
- Fund managers will actively monitor and review markets and portfolios so that necessary rebalancing of the portfolios can be done.
- The portfolio comprises of securities with a residual maturity of upto 91 days

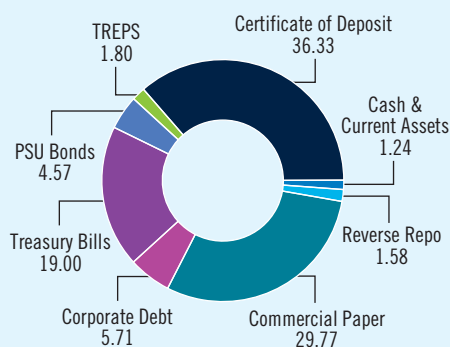
## Portfolio Positioning\*

- Major portion of the fund is invested in Commercial Papers.
- 100% of the portfolio is invested in AAA/A1+ rated securities and Sovereign Bonds

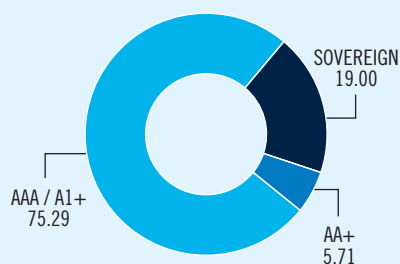
## Who should invest?

PGIM India Liquid Fund is ideal for investors looking at managing their short term liquidity requirements

### Asset Allocation (% AUM)



### Credit Quality Profile (% AUM)



## Fund Details

AUM as on April 30, 2024 (₹ in Crore): 423.80

### For the Debt Portfolio

Portfolio Yield (%)	7.15
Modified Duration (months)	0.87
Average Portfolio Maturity (months)	0.93
Macaulay Duration (months)	0.93

## Portfolio Holdings (Top Ten)

Issuer	% to Net Assets	Rating
Shriram Finance Ltd (Formerly Shriram Transport Finance Co. Ltd.)	5.71	IND AA+
Axis Bank Ltd.	5.69	CRISIL A1+
Reliance Retail Ventures Ltd	5.69	CRISIL A1+
Tata Capital Housing Finance Ltd.	5.69	CRISIL A1+
Bank of Baroda	5.68	ICRA A1+
Indian Bank	5.68	CRISIL A1+
Small Industries Development Bank of India	5.68	CRISIL A1+
91 Days T Bill MAT - 06-Jun-2024	5.67	SOV
Canara Bank	5.66	CRISIL A1+
HSBC InvestDirect Financial Services India Limited	5.65	CRISIL A1+

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, 2024. \* These are based on fund manager's current outlook & Subject to change.

**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. **Modified Duration:** Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.

## 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	
Debt and Money Market Instruments	0%	100%	Low to Medium

The scheme shall make investments in / purchase money market and debt instruments with a maturity of upto 91 days.

## Key Features



### Benchmark index:

CRISIL Liquid Debt A-I Index (w.e.f. March 13, 2024, the benchmark of the scheme has been changed from CRISIL Liquid Debt B-I Index to CRISIL Liquid Debt 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:

Investor exit upon subscription	Exit load as a % of redemption / switch proceeds
Day 1	0.0070%
Day 2	0.0065%
Day 3	0.0060%
Day 4	0.0055%
Day 5	0.0050%
Day 6	0.0045%
Day 7	0.0000%

## Potential Risk Class

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

#ICRA has assigned the "[ICRA] A1+mfs" (pronounced as ICRA A one plus m f s) rating to the PGIM India Liquid 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](http://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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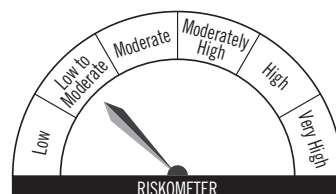
Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

## Riskometer

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

- Liquidity and generate income in the short term
- Investment in debt and money market securities with maturity upto 91 days only
- 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