

## PRESS RELEASE

### Segregation of portfolio in PGIM India Credit Risk Fund

**Mumbai, March 06, 2020:** SEBI vide circular dated December 28, 2018 has allowed mutual funds to create segregated portfolio of debt and money market instruments in case of a credit event subject to certain conditions.

Rating Agency ICRA has downgraded the rating of bonds of Yes Bank Limited to ICRA 'D' ('Default' grade) w.e.f. today i.e. 6<sup>th</sup> March, 2020.

PGIM India Credit Risk Fund has the below exposure to bonds of Yes Bank Limited :

Name of Security	Market Value of Holdings as on March 05, 2020 (Rs. In Crs.)	% of Portfolio
9% Yes Bank Perpetual Bond (Call 18-10-2022)	7.93	2.49
9.50% Yes Bank Perpetual Bond (Call 23-12-2021)	5.89	1.85

In view of the downgrade of the securities to default grade, the AMC proposes to segregate its holdings in the above bonds w.e.f. today i.e. 6<sup>th</sup> March, 2020 in accordance with applicable regulatory requirements subject to the approval of the Board of Trustees of PGIM India Mutual Fund.

#### Impact on the Unitholders if portfolio of Scheme is segregated

- Existing unit holders in the Scheme, as on the date of creation of segregated portfolio, shall be allotted equal number of units in the segregated portfolio as held in the main portfolio.
- Units of segregated portfolio will not be available for subscription or redemption. However, AMC will enable listing of units of segregated portfolio on the recognized stock exchange within 10 working days of creation of segregated portfolio and enable transfer of such units on receipt of transfer requests.
- Upon recovery of money from the Issuer in the segregated portfolio, whether partial or full, it will be distributed to unit holders holding units in the segregated portfolio in proportion to their holdings in the segregated portfolio.
- AMC will disclose separate NAVs of segregated and main portfolios from the date of creation of segregated portfolio.
- Unitholders redeeming their units in main portfolio will get redemption proceeds based on the Net Asset Value (NAV) of main portfolio and will continue to hold the units of segregated portfolio.
- A statement of account indicating units held by the unitholders in the main and segregated portfolio along with the respective NAVs as on the day of the credit event will be communicated to the unitholders within 5 working days of creation of the segregated portfolio.