

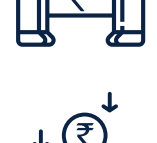
Why you should consider Target Maturity Index Fund now



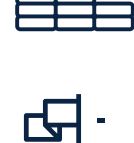
Given the aggressive and frontloaded rate hikes, major central banks including RBI, have now slowed the quantum of rate hikes. In this context, a positive yield may present a good opportunity to increase allocation to fixed income. If you are looking to build a high-quality portfolio with low credit risk, you may consider PGIM India CRISIL IBX Gilt Index – Apr 2028 Fund, which presents an opportunity to invest in government securities at a relatively low cost. (Source: Bloomberg)

Being an Index Fund which invests in the constituents of CRISIL IBX Gilt Index – April 2028, the fund holds the bonds till maturity. As compared to Fixed Maturity Plans (FMP), PGIM India CRISIL IBX Gilt Index – Apr 2028 Fund, being an open-ended fund, offers better liquidity, and is suited for investors who can take moderate risk.

Who should invest?



Both seasoned and new investors.



Investors seeking relatively low credit risk.



Investors looking for allocation for their core fixed income portion of their overall portfolio.



Investors who have long-term investment goals, which are in line with the maturity period of the scheme.



Investors looking for high liquidity.



Investors in the highest tax bracket looking for tax-efficiency.

Why prefer it over 5-6 years maturity traditional deposit products?



- Tax efficiency with indexation benefit.
- Open ended structure.

Why look at a 100% government securities, passive, hold-till-maturity product now?



The yield curve is flat which means market may expect Inflation to fall going ahead.

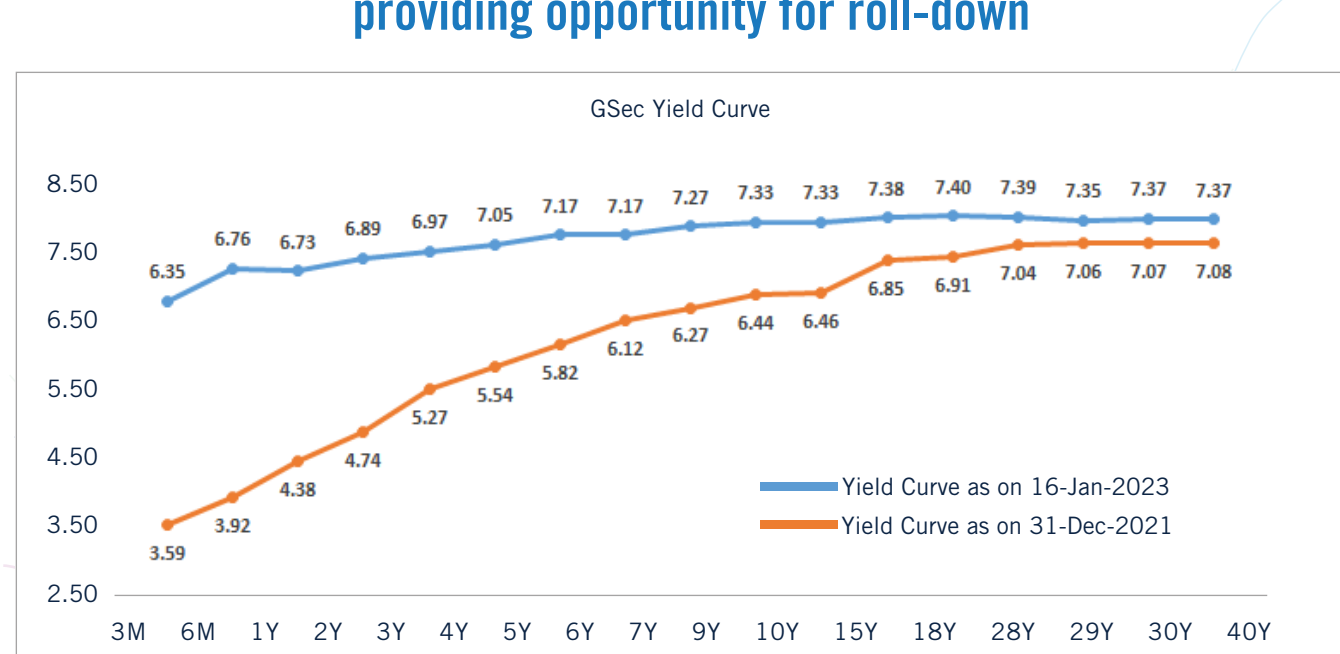


Spreads of SDLs and AAA PSU over G-secs are much below their median, which favors G-secs.



Globally and locally inflation has cooled off soon. Rates and yields maybe close to peaking out.

4-6yr segment of the yield curve is in a sweet spot... providing opportunity for roll-down



Source: Bloomberg. Data as of 16-Jan-2023

- As the yield curve is flat, 4 to 6 years maturity segment of the yield curve may provide relatively attractive carry, with lower duration risk.
- Any signs of a pause in the rate hiking cycle may favour the 3 to 6 years maturity bucket.

Benefits of PGIM India CRISIL IBX Gilt Index – Apr 2028 Fund



Average Maturity

Since the fund holds the underlying bonds till maturity, the average maturity decreases with time.



Quality

The fund invests predominantly in government securities so the credit risk is relatively low.



Liquidity

Since the fund is open-ended, investors can redeem any time before maturity. Ideally, one should invest in this fund if the investment time horizon matches with the maturity of the fund.



Tax-Efficient

Gains arising out of units sold after three years attract Long Term Capital Gains tax of 20% with indexation benefit. Indexation reduces the tax outgo by adjusting the purchase price for inflation.

In the current environment where interest rates have increased, Target Maturity Funds may offer the right investment opportunity.

How Target Maturity Funds stack up against FMPs and other debt funds

	Target Maturity Fund	Open-Ended Debt Fund	Fixed Maturity Plan
Liquidity	High	High	Low. Can be sold before maturity through stock exchange only
Tenure	Fixed	No Fixed Tenure	Fixed
Credit Risk	Credit Quality depends on underlying index. 100% G-sec index has relatively low credit risk	Depends on scheme investment objective/strategy	Depends on the fund's strategy
Taxation	20% LTCG tax on gains with indexation benefit if held for more than 3 years. Short term gains (sold before 3 years) taxed as per slab rate	20% LTCG tax on gains with indexation benefit if held for more than 3 years. Short term gains (sold before 3 years) taxed as per slab rate	20% LTCG tax on gains with indexation benefit if held for more than 3 years. Short term gains (sold before 3 years) taxed as per slab rate
Expense Ratio	Low, since they are passively managed	Depends on the category. Actively managed funds charge relatively higher than passively managed funds	Usually lower than actively managed Debt Funds

Fund Manager Details



Puneet Pal

Head – Fixed Income

With over 21 years of experience in the Debt markets, Mr. Puneet Pal is an MBA (Finance). He manages PGIM India Market Fund, PGIM India Ultra Short Duration Fund, PGIM India Liquid Fund, PGIM India Low Duration Fund, PGIM India Short Duration Fund, PGIM India Dynamic Bond Fund, PGIM India Banking & PSU Debt Fund, PGIM India Overnight Fund and PGIM India Gilt Fund.



Bhupesh Kalyani

Fund Manager – Fixed Income

With over 18 years of experience in fund management of fixed income securities, Mr. Bhupesh Kalyani holds ACA, Grad CWA. He jointly manages PGIM India Ultra Short Duration Fund, PGIM India Liquid Fund, PGIM India Low Duration Fund, PGIM India Short Duration Fund, PGIM India Banking and PSU Debt Fund, PGIM India Overnight Fund, PGIM India Dynamic Bond Fund, PGIM India Money Market Fund and PGIM India Gilt Fund jointly with Mr. Puneet Pal.

To know more about the fund, visit us at www.pgimindiaindianmf.com or contact your Mutual Fund Distributor or Financial Advisor.

PGIM India CRISIL IBX Gilt Index – April 2028 Fund

(An open-ended Target Maturity Index Fund investing in constituents of the CRISIL - IBX Gilt Index - April 2028. A relatively high interest rate risk and relatively low credit risk)

#BenefitFromInvestingInGSecs

Build your portfolio with government securities.

PGIM India CRISIL IBX Gilt Index - Apr 2028 Fund

(An open-ended Target Maturity Index Fund investing in constituents of the CRISIL - IBX Gilt Index - April 2028. A relatively high interest rate risk and relatively low credit risk)

NFO Opens: 2nd February 2023

NFO Closes: 16th February 2023

pgim india mutual fund

1800 2667 446

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

This product is suitable for investors who are seeking*

- Income over the target maturity period.
- An open-ended Target Maturity Index Fund investing in constituents of the CRISIL - IBX Gilt Index - April 2028.
- Degree of risk - MODERATE
- * Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



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