

PGIM India Overnight Fund

An Overnight Fund - An open ended debt scheme investing in overnight securities.
A relatively low interest rate risk and relatively low credit risk scheme.

Rated A1+mf by ICRA##

May 2026

Registered as PGIM India Mutual Fund. Registration Number for Mutual Funds : MF/065/10/02

Investment Objective

PGIM India Overnight Fund aims to provide reasonable returns commensurate with low risk and providing a high level of liquidity, through investments made primarily in overnight securities having maturity of 1 business day.

Fund Suitability

- Suitable for investors looking for an avenue to park very short-term surplus funds for as low as one day.
- For investors with a low risk appetite and seeking daily liquidity.

Why Overnight Fund?

- Liquidity and Credit Risk is minimized as the maturity of the underlying investments of the fund is 1 Business day and the exposure of the fund is limited to G Secs, T bills, TREPS, CROMS or AAA PSUs and PFI Money Market Instruments.
- Interest rate risk is eliminated as the fund only invests in securities with a tenor of 1 business day.
- Positioned to deliver reasonable risk adjusted performance compared to traditional saving instruments.
- No lock-in
- No entry or exit load.
- Same Day Returns: Purchases take place on previous days NAV, enabling one to earn returns on the day of investment*.
(*Subject to compliance of applicable cut off time)

Investing Money in an Overnight Fund

- Investor invests in Overnight scheme.
- For instance, if the scheme deploys money in TREPS/CROMS** on a T basis, the deployed amount earns overnight interest.
- On T+1 day Maturity, in case of investment in TREPS/CROMS, CCIL** pays out the principal amount + overnight interest to the scheme.
- Money is available to the investor.
(* For investments in instruments such as Government Securities, T Bills, PSU and PFI Money Market Instruments the Fund manager may use other portals such as NDS OM, F Trac and NSECL)

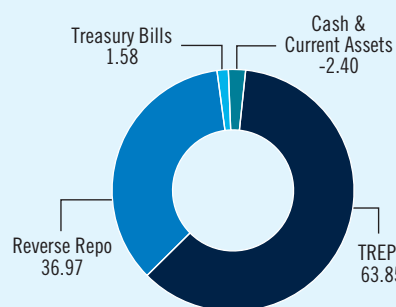
Why PGIM India Overnight Fund?

- Low cost Overnight fund offering#
(#For latest TER, please refer website.)
- Daily Portfolio disclosure

All inflows into the fund follow the above flow chart of investment into a pre-defined set of risk-free or very low risk options. The fund is pre-dominantly invested in zero risk options (CROMS, TREPS) since lending under these windows is fully collateralized through the security of underlying Government Securities.

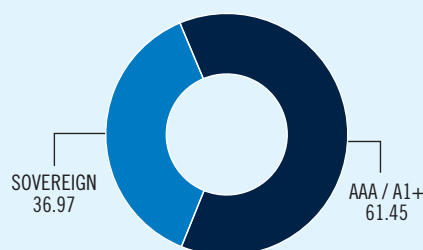
In general, variation in yields under these liquidity options (such as CROMS and TREPS) may not be very wide on a given day. However, there exists opportunities to generate higher yields through careful and appropriately timed deployment of funds which is guided by monitoring of liquidity trends within the system. The fund management team actively tracks parameters such as rolling 7 day and 15 days MIBOR and Call money rates, System liquidity, near term maturities of Government Bonds, on-going Bond (G secs, SDL) auctions, Government net balances, GST outflows, Government spending etc., which can be useful lead indicators of liquidity trends that in turn is used as a key input for liquidity management and yield forecasting for the Overnight fund.

Asset Allocation (% AUM)



The above data are as on May 31, 2026

Credit Quality Profile (% AUM)



The above data are as on May 31, 2026

Fund Details

AUM as on May 31, 2026 (₹ in Crore):	97.76
For the Debt Portfolio	
Portfolio Yield (%)	5.43
Modified Duration	1 day
Average Portfolio Maturity	1 day
Macaulay Duration	1 day

The above data are as on May 31, 2026.

What is TREPS

Triparty Repo i.e. TREPS, facilitates borrowing and lending of funds against the collateral of Government Securities in a Triparty Repo arrangement.

- A repo contract is one where a third entity (apart from the borrower and lender), called a Tri-Party Agent, acts as an intermediary between the two parties to the repo to facilitate services like collateral selection, payment and settlement, custody and management during the life of the transaction.
- Clearing Corporation of India Ltd (CCIL) would be the Central Counterparty to all trades from Tri Party Repo Dealing System (TREPS) and would perform the role and responsibilities of Triparty Repo Agent, in terms of Repurchase Transactions (Repo).
- Types of Entities that are eligible to participate in TREPS include Banks, Financial institutions, Insurance Companies, Mutual Funds, Primary Dealers, NBFCs, Pension Funds, Corporates etc.

What is CROMS

Clearcorp Repo Order Matching System (CROMS) is a STP enabled anonymous Order Matching Platform launched by Clearcorp Dealing Systems (India) Ltd on 27th January 2009. This system enables dealing in two kinds of Repos –

1. Basket

- Basket Repos enables dealing in baskets wherein repoable securities have been classified based on instrument type, liquidity and outstanding tenor and clustered together.
- Details of security allocated are known to both counterparties post trade.

2. Special Repos

- It is a conventional repo, where both borrower and lender are aware of the underlying security against which deal is sought to be concluded.

About 70% of all market repo action against Government Securities is concluded on the Platform consistently as CROMS provides better

transparency, repo rate discovery and operational efficiency and has thus become the preferred avenue for market repo dealing.

Does the AUM of the Overnight Scheme matter?

The size of the scheme does not have any bearing on the scheme performance, since TREPS and CROMS are extremely large sized windows of liquidity deployment within the money-market system. Daily flows into TREPS for instance is in the range of INR 50,000 -70,000 crores. The price (yield) discovery within this window as a result of the diversified counterparty base is also very efficient.

Further, the size of the fund or the overall AUM of the fund-house has absolutely no bearing either on the performance of the fund or the relative safety of investor's money in the PGIM India Overnight Fund.

The fund can only be invested in securities with a residual maturity of 1 business day and hence, there is usually never an issue with creating liquidity to meet outflows if any. Being a highly liquid portfolio, exit of investors from the fund also has no impact either on liquidity creation or performance.

Fund Manager's View

- Bond yields remained rangebound with some volatility tied to the movements in crude oil and INR. The benchmark 10yr bond yield was flat on a month-on-month basis but exhibited volatility during the month, ending at 7.00%, 1 bps lower than previous month's closing. The 10yr and 15yr segment outperformed the rest of the curve as yields in the rest of the yield curve rose by 4-6 bps. The news flow from the Middle East remained erratic with no peace deal concluded but Brent Crude came down towards the end of the month, ending the month at USD 92/bbl.
- INR also stabilised with crude coming off though it touched a record low of 96.83/USD. There were news reports of RBI/Government considering various measures to augment the flows of FX into India in light of the continuous FPI outflows. FPI inflows into debt have been to the tune of USD 560mn on a YTD basis with USD 280mn coming in May. Equity markets continue to witness FPI exodus with outflows of USD 2.65 bn on a YTD basis. INR has depreciated by 11% in the last one year and by 5.71% YTD.
- The Balance of Payments (BoP) deficit is estimated to be in the vicinity of USD 50bn if crude oil remains elevated, thus necessitating the need to augment the inflows of forex. There were news reports indicating that the government is considering a reduction/withdrawal of the withholding tax on FPI investments in debt/other measures to lower the tax burden on debt investments by FPIs. The review of the Bloomberg Aggregate Bond Index is coming up over the next couple of months and if there is some rationalisation in FPI taxation on debt Investments, the probability of inclusion in the Bloomberg global aggregate Index goes up and one can potentially see inflows of USD 35-40bn, if both these things happen. It is expected that such measures/scheme can be announced in the near future.
- Manufacturing and services PMI came in stronger, though input costs remained elevated. CPI inflation for April came in at 3.48%, lower than consensus estimates of 3.78%, but gradually rising above the Jan-Mar average of 3.10%. "Core Inflation" was flat at 3.40%, which has been the case for the last four months. INR depreciation, till April, seems to have a minimal impact on inflation, though with the hike in fuel prices, cumulatively to the extent of Rs. 7.50. Milk prices have also been increased by Rs. 2.0 and there has been select increases in FMCG also with Dabur raising prices by 4% and reducing its pack sizes.
- WPI inflation rose sharply to 42-month-high at 8.30%, led by fuel and food inflation. "Core" WPI also came in higher at 5% compared to 3.70% from last month. There is generally a lag between WPI and CPI inflation of 6-8 months, which indicates upward pressure on CPI going ahead. The Indian Meteorological Department (IMD) said most global models forecast the emergence of EL Nino during the monsoon season and that it may last till January 2027, potentially bringing lower rain both during the Kharif and the Rabi seasons, which, if it materialises, can negatively impact inflation.
- April trade deficit also rose, coming in at USD 28.4bn, much higher than March trade deficit of USD 20.7bn with rise in both crude oil imports and non-oil and non-gold imports. Analysts forecast the FY 27 Current Account Deficit at over 2% of GDP if crude oil prices sustain at USD100/bbl with BoP in deficit for the third year running.
- Govt. increased import duty on Gold and Silver to 15% from 6%, to disincentivise precious metals imports. Imports of precious metals stood at USD 105bn in FY26 amounting to 2.70% of GDP. Earlier instances of import duty hikes on Gold have seen mixed results though a meaningful reduction in gold imports can result in a narrower Current Account Deficit. RBI announced a dividend of Rs.2.87 lac cr, an all-time high, amounting to 0.70% of GDP and in line with markets estimates. Provisional estimates of centre's FY2026 fiscal accounts pegged the gross fiscal deficit at 4.4%, in line with the revised estimates of the Budget. For FY27, government finances look vulnerable with lower excise duty collections and higher subsidies with most of the analysts projecting a higher than budgeted fiscal deficit of 4.60% for FY27.
- Money market yields have been under pressure with liquidity tightening and markets pricing in 100 bps of rate hikes over the course of the next 1 year. The 3-month maturity CDs are trading around 7.30%, having touched a high of 7.50% during the course of the month while the 1 yr CDs are trading around 7.90%. OIS yields came off from their highs with 1yr OIS closing the month at 6.09% while the 5yr OIS was at 6.61%.
- Globally also bond yields in Japan and US rose while Indonesia hiked its policy rates by more than expected 50bps.
- A lasting ceasefire/end of hostilities in the Middle East will be the key determinant of the short term evolution of the yield curve, given its impact on Inflation, fiscal deficit and GDP growth. We expect MPC to hike policy rates by 25bps in its forthcoming 5th June meeting. Market remains divided in its expectations of rate hike. We expect the benchmark 10yr bond yield to trade in a broad range of 6.85% to 7.25% over the next one month.

Source: RBI, Bloomberg.

About Us

PGIM India Mutual Fund is part of PGIM, the global investment management arm of Prudential Financial, Inc. (PFI), with over **\$1.4 trillion** in assets under management. PGIM India Asset Management offers a comprehensive range of equity and fixed income solutions through mutual funds, alternatives, and portfolio management services. Leveraging PGIM's shared legacy of **150+** years and expertise across more than 30 market cycles, PGIM India combines global insights with local investment expertise to provide an enriching investment experience. Headquartered in Mumbai, the fund house operates across **25 cities** in India, managing 25 open-ended funds.

Source: www.pgim.com. As on 31/03/2026.

Asset Allocation

Instruments	Indicative allocations (% of total Assets)	
	Minimum	Maximum
Treasury bills, government securities, (Tri Party Repo), Debt (Only PSU, PFI and other quasi government bodies) and money market instruments* with maturity on or before the next business day	0%	100%

*Money market instruments includes commercial papers, commercial bills, treasury bills, Government securities having an unexpired maturity up to one year, call or notice money, certificate of deposit, usance bills, and any other like instruments as specified by the Reserve Bank of India from time to time.

The scheme will limit the investments into debt instruments with 1 day residual maturity only to Government securities, SDLs, PSUs, PFIs and other Quasi-government papers. Please refer to the Scheme Information Document for more details on asset allocation.

Key Features



Benchmark index:
NIFTY 1D Rate Index



Fund Manager:
Mr. Puneet Pal and Mr. Sandeep Devan



Exit load: Nil

Potential Risk Class

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

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

ICRA has assigned the "[ICRA]A1+mfs" (pronounced as ICRA A one plus m f s) rating to the PGIM India Overnight Fund. Schemes with "[ICRA]A1mfs" rating are considered to have very strong degree of safety regarding timely receipt of payments from the investments that they have made. Modifier {"+" (plus)} can be used with the rating symbol to reflect the comparative standing within the category. 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.

www.pgimindia.com/mutual-funds

1800 209 7446

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Riskometer

This product is suitable for investors who are seeking*:

- Income over a short term investment horizon
- Investment in debt and money market instruments having maturity of upto 1 business day
- Degree of risk – LOW

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



The risk of the scheme is low

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. Investors are advised to consult their own legal, tax and financial advisors to determine possible tax, legal and other financial implication or consequence of subscribing to the units of the PGIM India Mutual Fund ("Fund").

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