

## **PGIM India Phoenix Portfolio**

Securities investments are subject to market risks, company specific risks and other risks and there is no assurance or guarantee that the objectives of the investments as set out in the Disclosure Document and/or the Client Agreement will be achieved. Investments in the Portfolio Management Strategies stand a risk of loss of capital and the Clients should be aware that they may lose all or any part of their investments.

The investment value of the Portfolio may increase or decrease depending on various markets forces and factors affecting stock markets.

The performance of the Portfolio may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems in equity and debt markets.

Delisting or market closure, relatively small number of scrips accounting for a large proportion of trading volume may result loss in value of investments

The investments are also subject to liquidity risk in the market, settlement risk, impeding readjustment of portfolio composition, highly volatile stock markets in India. There is also risk of total loss of value of an asset or recovery of losses in investments only through expensive legal processes.

Liquidity of investments in equity and equity related securities are often restricted by factors such as trading volumes, settlement periods and transfer procedures. If a particular security does not have a market at the time of sale, then the Portfolio may have to bear an impact depending on its exposure to that particular security. Small/Mid cap companies may carry greater amount of liquidity risk compared to the large cap companies, as the ability to sell is limited by overall trading volume in the securities, which it invests.

Money market securities lack a well-developed secondary market, which may restrict the selling ability of such securities thereby resulting in a loss to the Portfolio until such securities are finally sold. Even upon termination of the Agreement, the Client may receive illiquid securities and finding a buyer for such Securities may be difficult.

Different segments of the Indian financial markets have different settlement periods and such periods may be extended significantly by unforeseen circumstances. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the scheme are un-invested and no return is earned thereon.

Investments in debt instruments and other fixed income securities are subject to default risk, liquidity risk and interest rate risk and may also be subject to price volatility due to such factors as interest sensitivity, market perception, or the credit worthiness of the issuer and general market risk.

Interest rate risk is associated with movements in interest rates, which depend on various factors such as government borrowing, inflation, economic performance, changes in demand and supply for money and other macroeconomic factors and creates price changes in the value of the debt instruments. The value of investments in fixed income Securities will appreciate / depreciate if the interest rates fall/rise. Consequently, the value of the Portfolio may be subject to fluctuation.

Investments in debt instruments are subject to reinvestment risks as interest rates prevailing on interest amount or maturity due dates may differ from the original coupon of the bond, which might result in the proceeds being invested at a lower rate.

It is important to note that midcap and small cap stocks may be riskier and more volatile on a relative basis. Over a period of time, midcap and small cap stocks have demonstrated different levels of volatility and investment returns and no one category consistently outperforms the others.

Slowdown in the domestic and global economy can lead to lower growth than our expectations and lower profitability for the companies in the portfolio (Applicable for all the companies in the portfolio)