



TRUST  
MUTUAL  
FUND

CLEAR ★ CREDIBLE ★ CONSISTENT

## TRUSTMF BANKING & PSU DEBT FUND

An open-ended Debt Scheme predominantly investing in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds



KIM &  
Application Forms

### Invest Online : Website

Retail Investors    Corporate Investors

### Exchange Platforms:

BSE STAR MF    NSE NMF II MF



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CLEAR ★ CREDIBLE ★ CONSISTENT

**Clear** Mandate

**Credible** Investment Process

**Consistent** Focus on Risk Adjusted Returns

TRUST AMC is an asset manager, part of **TRUST Group**, known for its **Thought Leadership** and **Financial Innovation** particularly in Fixed Income space.

TRUST AMC is committed to **Differentiated**, **Innovative** and **Relevant** investment solutions.

# UNIQUE INVESTMENT ETHOS

## STRUCTURED INVESTMENT APPROACH | LimitedACTIV™ METHODOLOGY



- **Philosophy**
  - To deliver consistent risk adjusted returns | Research driven, Validated by Back-testing
- **Investible Universe**
  - Issuers with stable high ratings | Selected on Quality, Stability and Liquidity filters
- **Model Portfolio**
  - Accurate representation of the Universe | Created on outstanding issuance amount
- **Portfolio Creation**
  - To reflect Model Portfolio characteristics | Constructed within predefined deviation limits
- **LimitedACTIV Management**
  - Portfolio optimization | Evaluated on relative valuation, spreads, term structure

### Strategic knowledge partnership with CRISIL

Construction & periodic rebalancing of model portfolio & universe, back testing & ongoing investment process validation

# TRUSTMF BANKING & PSU DEBT FUND

## Fund Highlights

-  Unique LimitedACTIV methodology of fund management
-  Strategic knowledge partnership with CRISIL
-  Aim to construct a Portfolio of highest rated issuers
-  Roll down strategy with target maturity ~ 3.5 years\*
-  Benefit from steepness in the 3-4 year curve
-  Fund Rating - Provisional ICRA AAA mfs

\*The scheme is currently following a 'roll down' investment approach with approximate tenure on a tactical basis and same is subject to change. The investment will be made in line with investment strategy and asset allocation as prescribed in the Scheme related documents.

## INVESTIBLE UNIVERSE – ILLUSTRATION

### Filtration done by CRISIL based on parameters defined by AMC

AAA and AAA(CE) rated issuers.....	126
Liquid and semi-liquid Issuers*.....	90
Issuers with stable outlook.....	82
Issuers with AAA conservative rating.....	78
Issuers with no rating change in last 2 years.....	63

**Eligible issuers for the Universe\*\* – 63**

**Model Portfolio created on a broad-based criteria that approximately represents 80% of the eligible issuer universe**

\*CRISIL methodology for liquidity classification is adopted which takes into account issuance/ traded volumes and spreads over appropriate corporate bond benchmark.

\*\*The investible universe experienced only 5 instances of downgrades in the model portfolio and no defaults in the back tested period of 5 years.

The details mentioned herein are only for illustrative purpose in order to explain the concept of model portfolio. It should not be construed as a resemblance to the portfolio of the scheme and the actual portfolio may vary. The investment approach is dynamic and not definitive. Past performance may or may not be sustained in future.



## ISSUERS IN THE UNIVERSE – FEW EXAMPLES

### PSU FI

- EXIM
- NABARD
- IRFC
- REC
- PFC

### PSU Non FI

- NTPC
- NHAI
- PGC
- IOC
- HPCL

### Banks\*

- SBI
- HDFC
- ICICI
- AXIS
- Kotak Mahindra

### Private

- LIC Housing
- HDFC Ltd
- Reliance
- Larsen & Toubro
- Bajaj Finance

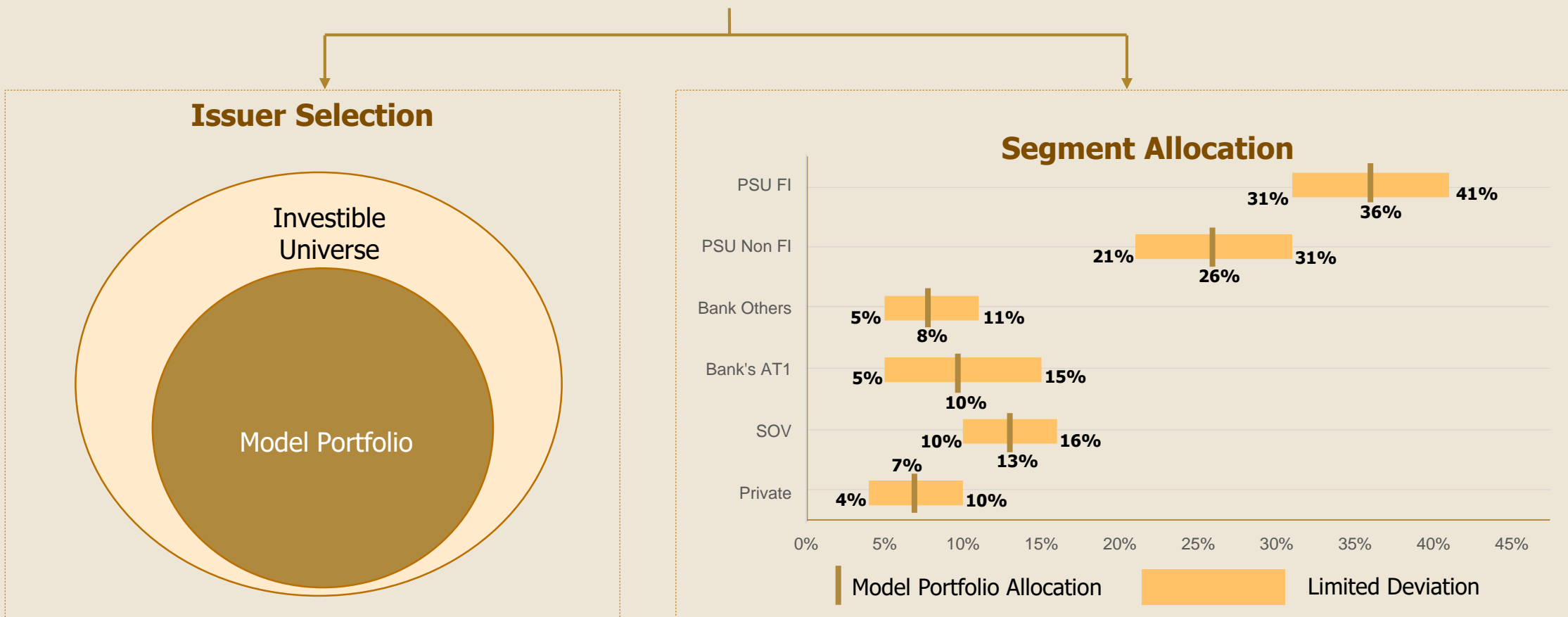
\*Exposure could be taken in AT1 bonds

The stock(s)/issuer(s) mentioned above are for illustrative purposes only and do not constitute any research report /recommendation of the same and the AMC may or may not have any future position in these stock(s)/ issuer(s) in the scheme.

# Limited **ACTIV™** MANAGEMENT

A structured methodology where the fund manager takes exposure based on pre-defined limits

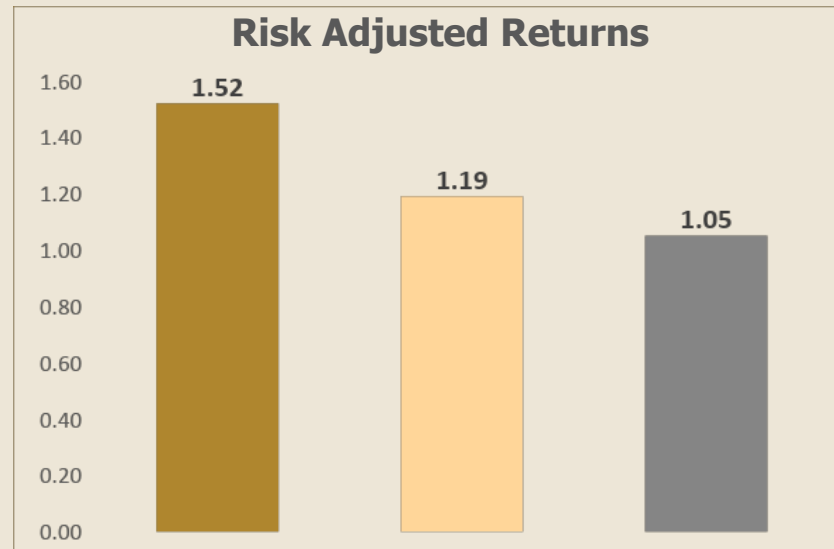
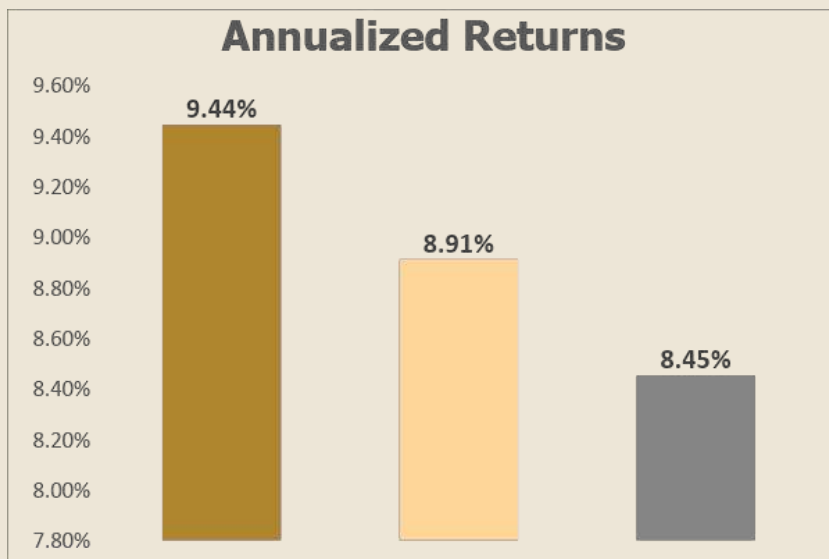
## Predefined Limits



Disclaimer: The above mentioned details under "Segment Allocation" and "Issuer Selection" are for illustrative purpose in order to explain "Limited Active" Methodology. It should not be construed as a resemblance to the portfolio of the scheme and the actual portfolio may vary.

# BACK TESTED RESULTS

Model Portfolio simulated and back tested by CRISIL for the last 5 years



- Model Portfolio
- CRISIL Banking and PSU Index
- Category Average of Banking and PSU Funds

- Model Portfolio absolute and risk adjusted returns have been higher than both standard index & category average

Returns calculated for the period 30<sup>th</sup> Nov 2015 to 30<sup>th</sup> Nov 2020. For risk adjusted returns, Sharpe ratio is used | TER of 20 bps is considered for model portfolio for direct scheme.

The model portfolio was constructed of instrument filtered through various filters such as quality, stability, liquidity etc. For detailed methodology please refer to slide no. 7. Back tested or simulated performance results are designed from certain factual events, scenarios etc. and have certain inherent limitations. Past performance may or may not sustained in future. The investment approach may change from time to time. The back-tested results are neither an indicator nor a guarantee of future returns and actual results will vary from the analysis . No representation or warranty, expressed or implied is made regarding the future performance of the scheme.

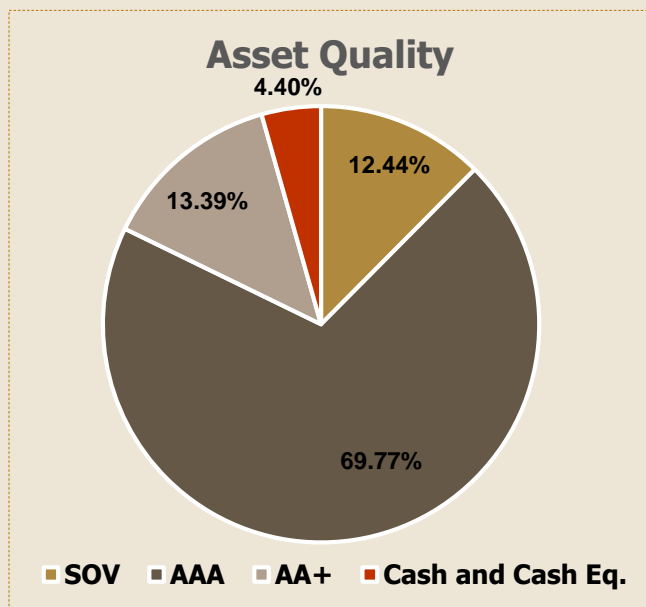


## PORTFOLIO – As on 31<sup>st</sup> Mar 2021

Portfolio Holdings	Issuer Category	Rating	% exposure
6.18% GOI 2024 <sup>^</sup>	G-Sec	SOV	8.41%
5.22% GOI 2025	G-Sec	SOV	4.03%
Indian Railway Finance Corporation <sup>^</sup>	PSU FI	AAA	7.07%
National Housing Bank <sup>^</sup>	PSU FI	AAA	6.88%
Power Finance Corporation <sup>^</sup>	PSU FI	AAA	6.86%
Rural Electrification Corporation <sup>^</sup>	PSU FI	AAA	6.85%
NABARD <sup>^</sup>	PSU FI	AAA	6.48%
SIDBI	PSU FI	AAA	1.64%
Indian Oil Corporation <sup>^</sup>	PSU Non FI	AAA	6.68%
Hindustan Petroleum Corporation <sup>^</sup>	PSU Non FI	AAA	5.98%
Mahanagar Telephone Nigam	PSU Non FI	AAA	4.42%
Power Grid Corporation of India	PSU Non FI	AAA	3.64%
Axis Bank <sup>^</sup>	Bank Others	AAA	8.10%
State Bank of India AT1 <sup>^</sup>	Bank AT1	AA+	5.83%
ICICI Bank AT1	Bank AT1	AA+	4.22%
HDFC Bank Perp AT1	Bank AT1	AA+	0.87%
LIC Housing Finance	Private	AAA	4.30%
Housing Development Finance Corporation	Private	AAA	0.87%
Cash, Cash Equivalents & Net Current Assets	Overnight		4.40%
<b>Total</b>			<b>100%</b>

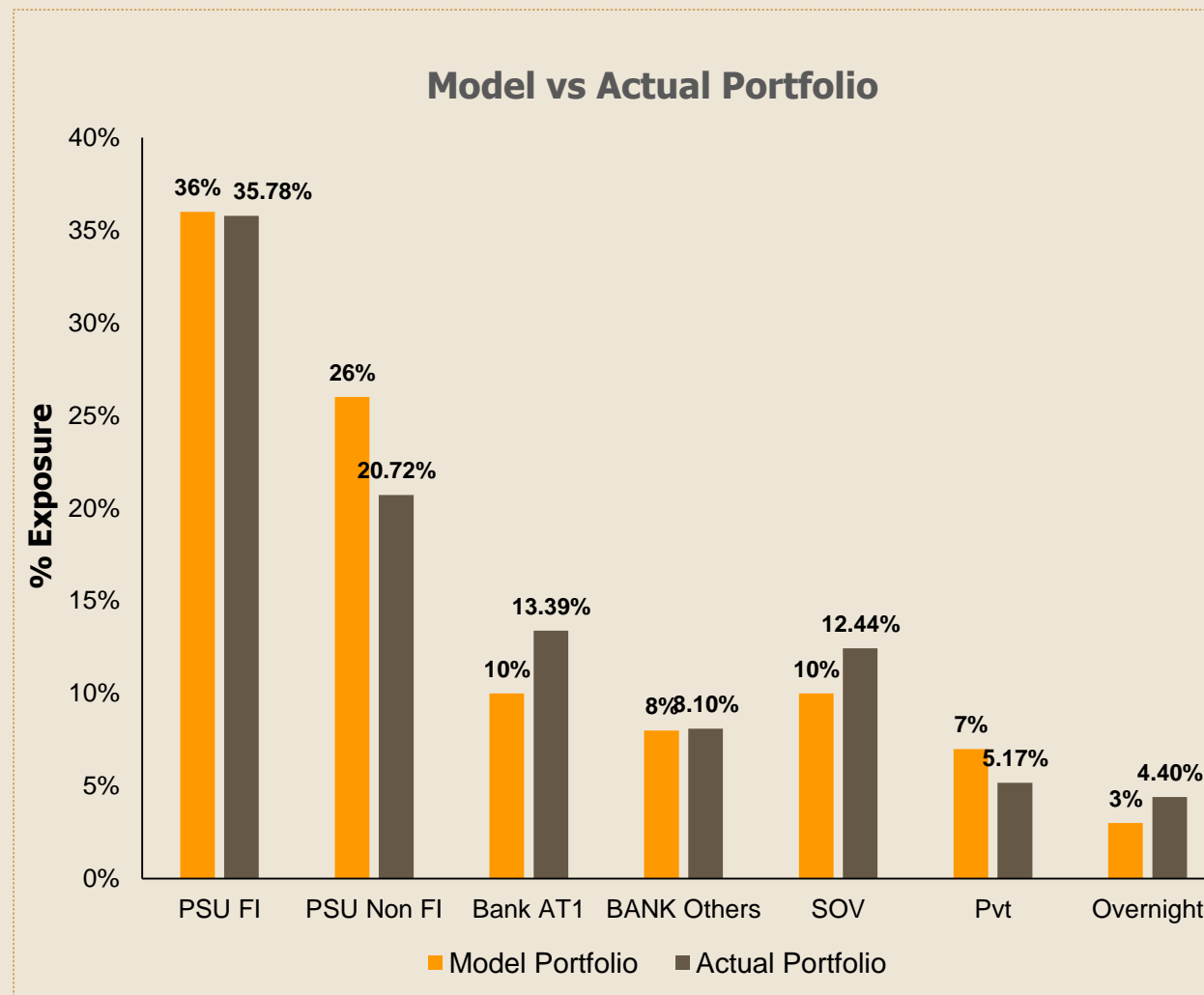
<sup>^</sup>Top 10 holdings

# Portfolio Parameters – As on 31<sup>st</sup> Mar 2021



Portfolio Parameters	
YTM	5.87%
YTM net of Fee*	5.64%
Avg Maturity	3.38 yrs.
Duration	3.03 yrs.
Volatility	1.43%

\*Direct Plan is considered



# ILLUSTRATION : PORTFOLIO RETURN SENSITIVITY

## 1 year holding period

Duration Assumed	3.2 yrs*	4.6 yrs	5.9 yrs
YTM Assumed	5.70%*	6.00%	6.30%
Spread over 1 year assumed	20 bps*	20 bps	20 bps
Yield Movement over 1 Year	CAGR		
+ 75 bps	4.45%	4.11%	3.66%
+ 50 bps	5.01%	4.96%	4.85%
+ 25 bps	5.59%	5.82%	6.05%
No Change	6.16%	6.69%	7.28%
- 25 bps	6.74%	7.57%	8.52%
- 50 bps	7.33%	8.46%	9.78%
- 75 bps	7.92%	9.36%	11.07%

## 6 months holding period

Duration Assumed	3.2 yrs*	4.6 yrs	5.9 yrs
YTM Assumed	5.70%*	6.00%	6.30%
Spread between 6 months	10 bps*	10 bps	10 bps
Yield Movement over 6 Months	CAGR		
+ 50 bps	3.45%	2.84%	2.07%
+ 25 bps	4.80%	4.75%	4.64%
No Change	6.17%	6.68%	7.24%
- 25 bps	7.54%	8.63%	9.90%
- 50 bps	8.93%	10.61%	12.59%

\*The duration assumed in the first scenario is that of CRISL Banking & PSU Debt Index.

Please note that the details mentioned herein with certain assumptions are for illustrative purpose in order to explain the Portfolio Return Sensitivity with reference to the yield movement. It shall in no manner be construed as any indicative of future returns.

## KEY TEAM



**Mr. Sandeep Bagla**  
Chief Executive Officer  
Honours in Economics,  
PGDM in Finance

- 25 years of experience in investment management for fund houses, primary dealers & financial institutions
- With TRUST Group since 2014
- Worked with ICICI Securities Primary Dealership, AIG Mutual Fund, Reliance Mutual Fund, Principal Mutual Fund etc.



**Mr. Anand Nevatia**  
Fund Manager  
PGDBA  
CFA (ICFAI)

- 17 years of experience in the financial markets
- With TRUST Group since 2003
- Was the Fund Manager of Debt PMS
- Earlier experience includes fixed income research, investment analysis & portfolio advisory

## POTENTIAL BENEFITS TO INVESTORS



**Diversified  
Portfolio**



**Top Quality  
Credit**



**High Liquidity**



**Strong Risk  
Controls**



**Reduced  
Volatility**

## SNAPSHOT: TRUSTMF BANKING & PSU DEBT FUND

Particulars	Details
Product Category	Banking and PSU Debt Fund
Fund Manager	Anand Nevatia
Benchmark	CRISIL Banking and PSU Debt Index
Exit Load	Nil
Custodian & Fund Accountant	HDFC Bank
Registrar & Transfer Agent	KFin Technologies Pvt Ltd

### RISKOMETER & Product Suitability Label

This product is suitable for investors who are seeking\*

- Regular income over short to medium term
- Investment primarily in debt and money market instruments issued by Banks, PFIs, PSUs & Municipal Bonds

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



Investors understand that the principal will be at moderate risk

# **TRUST GROUP : A Fixed Income Power House**



# TRUST

In Partnership. With Trust.

## **Vision**

Facilitating Growth | Creating Wealth | For a Sustainable Future |

In Partnership. With TRUST.



# SUSTAINED LEADERSHIP IN FIXED INCOME



- **Investment Banking Solutions**
  - Consistently ranked as a leading investment banker in corporate bonds
  - Known for innovation in structuring Debt products
  - Efficient execution of large-scale transactions
- **Capital Market Services**
  - Leading distributor in corporate debt
  - Broking services in Debt and Equities
- **Financial Innovation – Key Achievements**

Funds Mobilised (Rs.)	
NCDs Participated	17.7 lac crs
NCDs Mobilised	2.5 lac crs
CPs Mobilised	10.3 lac crs

\*Since 2007 to Jan 2021 | Source: Prime Database

- **FIRST CREDIT ENHANCED STATE GUARANTEE DISCOM BONDS**
- **FIRST CMBS BOND TRANSACTION IN INDIA**
- **FIRST BASEL III TIER 1 BANK BONDS**
- **FIRST CERTIFIED CLIMATE GREEN BOND**

# ASSET MANAGEMENT & ADVISORY CAPABILITIES



- **Portfolio Management & Advisory**
  - **Fixed Income**
    - Pioneer in customized debt portfolio management
    - Strong research in credits and rates
  - **Equity**
    - Disciplined insightful investments with a long-term perspective
    - Advise global endowment managed accounts
  - **Advisory**
    - Retirement Benefit Fund and Corporate Advisory
    - Customized portfolio across multiple asset classes
- **Wealth Management and Family Office Advisory**
  - Multi family office advisory platform

Group AUM/ AUA (Rs. Crs)	
Debt	13,190
Equity*	4,785
Wealth Management	9,460

As of Feb' 2021 | Source: Regulatory Filings  
\*As of Dec'2020

# AWARDS AND RECOGNITION



Awarded 'Best Bond Adviser - Domestic' by The Asset Country Awards 2018



Awarded 'India Bond House' for the year 2017 by IFR Asia



Received BSE's Top Performer Award in Primary Market Segment (Debt Public Issue Bids – Members) and corporate bond settlement for the year 2018-19



Certified as a Great Place to Work for the year 2018-19



THOMSON REUTERS

Ranked No. 3 in the Thomson Reuters India Debt League Table for the year 2019

Bloomberg

Ranked No. 11 in the Bloomberg League Table for domestic INR Corporate Bonds for 2019



Ranked No. 1 for commercials papers & Ranked no. 4 for debt private placements for the year 2017-18



Won the Skoch BSE Award 2017 for Innovation and Market Leadership



Ranked No. 2 in the Global Capital Bookrunners of India Debt Capital Market for 2016-17



Awarded 'India Bond House' for the year 2014 by IFR Asia



Rupee Bonds Deal Maker of the year 2015 by Business World Magna Awards



Recognised by NSE for being amongst the top performing members in 2014 and 2015-16 for NSE Bond Futures

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Note for "Provisional ICRA AAA mfs": TRUSTMF Banking and PSU debt Fund is rated as "Provisional ICRA AAA mfs". Such rating is considered to have very strong degree of safety regarding timely receipt of payments from the investments that they have made. This range should however, not be construed as an indication of the performance of the scheme or of volatility in its returns. The rating should not be treated as a recommendation to buy, sell or hold units issued by the scheme.

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Past performance may or may not be sustained in the future.

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



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