

MONTHLY FACT SHEET

April 2021



Protect what's important to you

Investment Ethos we stand for

Clear Mandate

Credible Investment Process

Consistent Focus on Risk Adjusted Returns

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



Sandeep Bagla
Chief Executive Officer

From The CEO's Desk

I have always wondered why business cycles are getting more pronounced and what would help avoid the crests and troughs which the global economy goes through-with increasing frequency – thereby impacting policy-making, growth, employment, inflation, wages and life, in general. One plausible, though simplistic, answer was provided by my Economics professor in my business school – she said that due to various lags in real life, it is probably the policymakers, despite their best intentions, who end up exacerbating economic volatility instead of reducing it.


When the economy is growing rapidly, say, on the back of population growth or technological advancement, there is general optimism on future growth, resulting in higher demand for goods, producers expanding capacities, prices getting pushed higher. At this time, regulators should carry out countercyclical policies like fiscal and monetary contraction to stop markets from overheating. However, there exist lags like:

- a) Data and Recognition Lag – The time between the occurrence of a meaningful change in trend and its acknowledgement by policymakers
- b) Decision Lag – The time it takes to decide the course of action and
- c) Effect Lag – The time it takes for policy measures to make an impact the real economy.

The economic cycle may have peaked out on its own, the activities may have started declining by the time the policymakers decide to implement counter-cyclical contractionary measures, thereby adding to the weakening economy. What should have been a counter-cyclical measure ends up being a pro-cyclical weight, adding to the amplitude of the cycle instead of reducing it, due to the significant lags that exist in the system.

Given these lags in the system, it is understandable, especially in these complicated, conflicting and turbulent times when investors prefer safe avenues to preserve capital and refrain from taking strategic investment decisions. Such is the risk aversion in current debt markets, that most investors choose to invest in a shorter and safer end of the yield curve, in safe credit options, prioritising safety over returns.

It feels a little heartless to talk about investment strategies, at a time when the entire country is fighting with the second wave of Covid-19 – but we do need to appreciate and preserve what we have. Both our fixed-income funds focus on creating safe portfolios with curated issuers with the highest ratings.

TRUSTMF has just crossed Rs.1,000 Crores in April month-end, across the two fixed-income funds and I would like to express my heartfelt gratitude to investors, partners and well-wishers for reposing faith in our structured  **LimitedACTIV™** investment methodology.

Stay Healthy, Stay Safe

Warm regards,

Sandeep Bagla



Anand Nevatia
Fund Manager

Market Commentary:

In the MPC meeting held on April 5-7, the MPC had unanimously voted for a status quo on policy rates maintaining the accommodative stance as long as it is necessary to revive growth. Despite the recent surge in COVID infections, the GDP forecast for FY22 was retained at 10.5% and MPC acknowledged the need for continued policy support. RBI's CPI forecast of 5% for FY22 is higher than market expectations whereas the FY22 GDP forecast at 10.5% is marginally below the estimates. RBI successfully conducted the first G-SAP auctions for INR 25000 crores during April out of committed 1 lac crores for Q1FY22.

Liquidity in the banking system continued to be favourable, short-term rates across the yield curve showed a dip in the yield.

The Central government borrowing through G-Sec auction was much smoother and higher during April 2021 than the corresponding month of the previous year. The State government borrowing through SDL auction was much lower at INR 5900 crs as against INR 89,800 crs in the previous month. The average cut-off yield in the 10-year segment was at 6.78% for the month of April.

Headline CPI for March rose to 5.52% compared to 5.03% in February, prices of meat and fish, fruits, fuel continued to rise while the pace of disinflation in vegetable prices slowed. Core CPI rose to almost 6%, the highest in two and a half years.

Portfolio Update*:

Banking and PSU Fund - Category Exposure		
Issuer Category	Model Allocation	Actual Portfolio
PSU FI	31-41%	37.95%
PSU Non FI	21-31%	20.24%
Bank Others	5-11%	7.91%
Bank AT1	5-10%	9.87%
Gsec/ SDL	10-16%	12.62%
Pvt	4-10%	5.06%
Cash and Cash Eq.	Minimum 3%	6.35%

Liquid Fund - Category Exposure		
Issuer Category	Model Allocation	Actual Portfolio
PSU	10-25%	26.52%
Pvt	25-50%	23.92%
CD	10-30%	6.60%
SOV/ Cash	20-50%	42.95%

*Data as on 30th April 2021

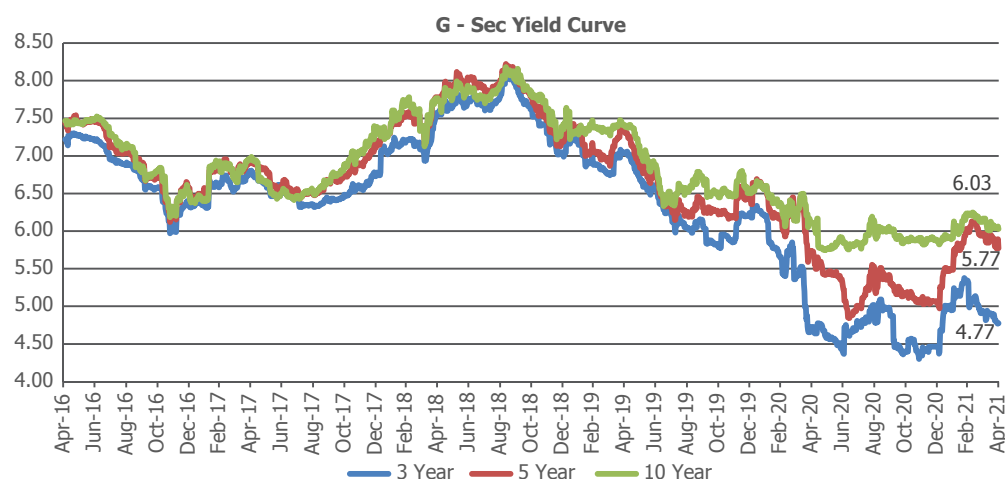
TRUSTMF Banking & PSU Debt Fund

Though the grandfathering clause was applicable on the existing AT1 investments, as a prudent and conservative approach, we reduced our exposure in AT1 bonds to ~ 10%, in line with our model portfolio, realigned basis new SEBI regulations. The segmental allocations are now well within the defined allocation limits of the model portfolio.

TRUSTMF Liquid Fund

The TRUSTMF Liquid fund NFO closed on 22 April 2021. This was the second NFO of the AMC and received an encouraging response in a tough environment made extremely difficult by the second wave of Covid-19. Our Liquid Fund has adopted the same structured investment approach as done in the Banking and PSU Debt Fund with exposure allowed to selected issuers rated AAA on the long term rating scale. The portfolio for the Liquid Fund was broadly aligned with the model portfolio based on the broad-based approach within a week of launch.

Bond Yield Movement & Spreads: (as on 30th April 2021)



AAA PSU Term Spreads (Longer end minus shorter end)

	Current Spread	3M back	6M back	1Y back	5 Year Average	SD
1-3 Year	47	68	77	22	22	23
3-5 Year	111	72	86	44	18	19

- The 5 yr. benchmark yield on the GSEC curve has been the best performer with yield cooled-off by almost ~ 19-20 bps during the month due to excessive liquidity. In comparison, the 3 yr. & 10 yr. benchmark yield has improved by ~ 15 bps & 13 bps respectively.
- The GSEC term premium (10 yr. – 1 yr. T-bill) now stands at ~ 234 bps as against 241 bps in the previous month, which still is relatively high from the average spread of ~ 75 bps.
- The term spread between 1-3-year AAA PSU compressed to 47 bps as against 133 bps during the previous month, though staying relatively high from the average spread of ~ 22 bps.

Outlook:

The entire country has been gripped by the second wave of Covid-19 which has turned out to be more damaging compared to the 1st wave. Central banks around the world have committed themselves to an accommodative stance and easy monetary conditions. RBI has also toed the same line and has given precedence to “durable growth” over inflation.

The markets though continue to be concerned about the large supply and a rising CPI which tend to reflect most on the 10-year benchmark than on any other part of the curve. With the central bank allowing the benchmark yields to rise up by about 25 bps, it appeared that the tussle between the central bank and markets were over however, the cancellation of the benchmark auction in 3rd week of April hinted otherwise.

The G-SAP auctions in the current quarter will probably give some respite and direction to the markets. Though the central bank has repeatedly talked about flattening of the yield curve, it appears to be an onerous task given excessive liquidity in the short end and large supply on the longer end. We expect rates to be stable in the up to 3-year segment, whereas the longer end to be volatile.

Source: Bloomberg, RBI, CEIC data

Note for Portfolio Update: Based on various parameters a model portfolio is created with sector/segment allocations. The Fund Manager has attempted to construct the actual portfolio in line with the characteristics of model portfolio by adopting limited variance. It may please be noted that the segment allocation depicting the model portfolio vis-à-vis the actual portfolio is being provided to showcase our investment approach and portfolio construct methodology. The above-mentioned details depict the actual portfolio construction vis-à-vis the model portfolio and as it can be seen we still need to align our portfolio for certain segments which will be done soon. The model portfolio and actual portfolio may vary and shall not be considered in any manner as an intended or indicative portfolio.

Disclaimer: The views expressed herein constitute only the opinions and do not constitute any guidelines or recommendation on any course of action to be followed by the reader. This information is meant for general reading purposes only and is not meant to serve as a professional guide for the readers. Whilst no action has been solicited based upon the information provided herein; due care has been taken to ensure that the facts are accurate and opinions given are fair and reasonable. This information is not intended to be an offer or solicitation for the purchase or sale of any financial product or instrument. Recipients of this information are advised to rely on their own analysis, interpretations & investigations. Entities & their affiliates shall not be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including loss of profits, arising in any way from the information contained in this material.

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



Fund Rating : [ICRA] AAAMfs (Provisional)

Investment Objective

To generate reasonable returns by primarily investing in debt and money market securities that are issued by Banks, Public Sector Undertakings (PSUs), Public Financial Institutions (PFIs) and Municipal Bonds. However, there can be no assurance that the investment objective of the scheme will be realised.

Portfolio as on 30-Apr-2021

Scheme Features

Fund Highlights

- Unique LimitedACTIV™ methodology of fund management
- Strategic knowledge partnership with CRISIL#
- Roll down strategy with target maturity ~ 3.2 years*

Date of Allotment
1st February 2021

Fund Manager
Anand Nevatia (since 1st Feb 2021)
Total Experience - 17 years

Fund Size

- Month end AUM: ₹ 629.08 Cr
- Average AUM: ₹ 642.90 Cr

Load Structure

- Entry Load: Nil
- Exit Load: Nil

Benchmark
CRISIL Banking and PSU Debt Index

Minimum Investment (lumpsum)
₹ 1,000/-

NAV as on 30th April 2021

NAV	Regular Plan	Direct Plan
Growth	₹ 1011.2192	₹ 1012.4551
IDCW [@]	₹ 1008.2688	₹ 1009.6740

@Income Distribution cum Capital Withdrawal

Total Expense Ratio (TER)
Including Additional Expenses and GST on Management Fees

- Regular: 0.73%
- Direct: 0.23%

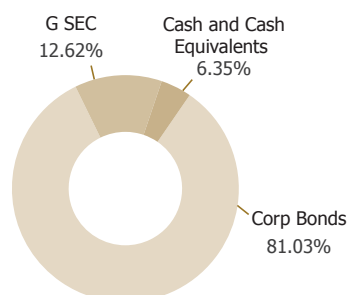
Portfolio Parameters

- Standard Deviation: 1.49%
- Average Maturity: 3.11 years
- Macaulay Duration: 2.79 years
- Modified Duration: 2.65 years
- YTM: 5.61%
- YTC: 5.45%
- YTC net of fee: 5.22%

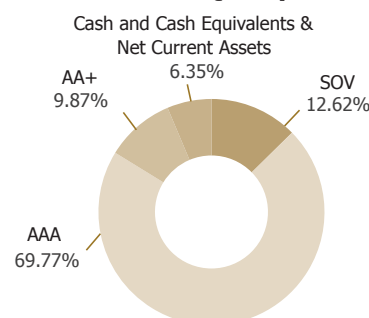
Instruments	Rating	% To Net Assets
Govt Securities / SDL		
6.18% GOI - 04-Nov-2024 [^]	Sovereign	8.23%
8.90% Maharashtra SDL - 24-Sep-2024	Sovereign	4.39%
Total		12.62%
CORPORATE BONDS/NCD		
Axis Bank [^]	AAA	7.91%
Indian Railway Finance Corporation [^]	AAA	6.89%
National Housing Bank [^]	AAA	6.74%
Power Finance Corporation [^]	AAA	6.72%
Indian Oil Corporation Ltd [^]	AAA	6.51%
Rural Electrification Corporation [^]	AAA	6.41%
NABARD [^]	AAA	6.39%
Hindustan Petroleum Corporation Ltd [^]	AAA	5.86%
SIDBI [^]	AAA	4.80%
Mahanagar Telephone Nigam Ltd	AAA(CE)	4.32%
LIC Housing Finance	AAA	4.21%
ICICI Bank Ltd Perpetual	AA+	4.15%
Power Grid Corporation of India	AAA	3.55%
HDFC Bank Perpetual	AA+	3.28%
State Bank of India Perpetual	AA+	2.44%
Housing Development Finance Corporation	AAA	0.85%
Total		81.03%
Cash, Cash Equivalents & Net Current Assets		6.35%
Total		6.35%
Grand Total		100.00%

[^] Top 10 holdings

Portfolio Allocation



Asset Quality



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 securities issued by Banks, PSU, PFI and Municipal Bonds

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

*CRISIL has been engaged for - construction & periodic rebalancing of model portfolio & universe, back testing & ongoing investment process validation *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. Please refer to page 7 for IDCW[@] Details

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

TRUSTMF Liquid Fund

An open-ended Liquid Scheme



Fund Rating : [ICRA] A1+mfs (Provisional)

Investment Objective

The objective of the scheme is to provide reasonable returns at a high level of safety and liquidity through investments in high quality debt and money market instruments. However, there can be no assurance that the investment objective of the scheme will be realised.

Portfolio as on 30-Apr-2021

Scheme Features

Fund Highlights

- Investment into Issuers with Stable AAA Long Term Ratings
- Structurally Laddered Portfolio with Segmental Allocation

Date of Allotment
23th April 2021

Fund Manager
Anand Nevatia (since 23th April 2021)
Total Experience - 17 years

Fund Size

- Month end AUM: ₹ 376.36 Cr
- Average AUM: ₹ 108.63 Cr

Load Structure

- Entry Load: Nil
- Exit Load: as a % of redemption proceeds (including systematic transactions) Up to
Day 1 : 0.0070%,
Day 2 : 0.0065%,
Day 3 : 0.0060%,
Day 4 : 0.0055%,
Day 5 : 0.0050%,
Day 6 : 0.0045%,
Day 7 onwards Nil

Benchmark
CRISIL Liquid Fund Index

Minimum Investment (lumpsum)
₹ 1,000/-

NAV as on 30th April 2021

NAV	Regular Plan	Direct Plan
Growth	₹ 1000.6743	₹ 1000.7072
IDCW [®]	₹ 1000.6414	₹ 1000.6910

[®]Income Distribution cum Capital Withdrawal

Total Expense Ratio (TER)
Including Additional Expenses and GST on Management Fees

- Regular: 0.26%
- Direct: 0.11%

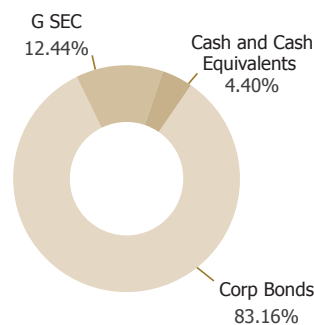
Portfolio Parameters

- Average Maturity: 44 Days
- YTM: 3.35%
- YTM net of fee(direct): 3.24%

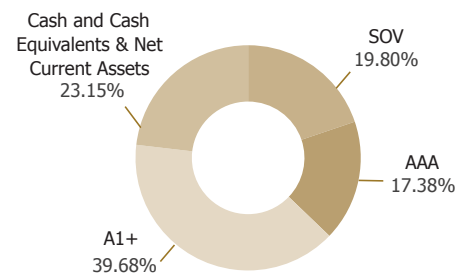
Instruments	Rating	% To Net Assets
Non Convertible Debentures / Bonds		
Small Industries Development Bank of India [^]	AAA	6.65%
HDB Financial Services Ltd.	AAA	5.36%
Reliance Industries Ltd.	AAA	5.36%
Total		17.38%
Commercial Papers[#]		
Hindustan Petroleum Corporation Ltd. [^]	A1+	6.63%
National Bank for Agriculture and Rural Development [^]	A1+	6.63%
LIC Housing Finance Ltd. [^]	A1+	6.62%
Chennai Petroleum Corporation Ltd. [^]	A1+	6.61%
ICICI Securities Ltd. [^]	A1+	6.59%
Total		33.07%
Certificate of Deposits[#]		
Axis Bank Ltd. [^]	A1+	6.60%
Total		6.60%
Treasury Bills		
364 Days Treasury Bill 08-Jul-2021 [^]	SOV	6.60%
182 Days Treasury Bill 08-Jul-2021 [^]	SOV	6.60%
91 Days Treasury Bill 22-Jul-2021 [^]	SOV	6.59%
Total		19.80%
Cash & Cash Equivalents		
Total		23.15%
Grand Total		
		100.00%

[^] Top 10 holdings
[#] Investment into Issuers with Stable AAA Long Term Ratings

Portfolio Allocation



Asset Quality



Investors understand that their principal will be at Low to Moderate Risk

RISKOMETER & PRODUCT SUITABILITY LABEL:

This product is suitable for investors who are seeking*

- Income over short term
- Investment in debt and money market instruments

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

Please refer to page 7 for Performance Details

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

TRUSTMF Banking and PSU Debt Fund IDCW®

Name	Record Date	Individual	HUF	Others	Ex NAV
TRUSTMF Banking & PSU Debt Fund Direct Plan - Monthly IDCW	26-Apr-21	₹2.80	₹2.80	₹2.80	1,007.58
TRUSTMF Banking & PSU Debt Fund Regular Plan - Monthly IDCW	26-Apr-21	₹2.80	₹2.80	₹2.80	1,006.23

Disclaimer: Pursuant to dividend payout, the NAV of the IDCW option of the Scheme falls to the extent of the payout and statutory levy, if any. Past performance may or may not be sustained in future. IDCW is on the face value of Rs 1000/- per unit. IDCW means Income Distribution cum Capital Withdrawal®.

TRUSTMF Liquid Fund Performance Details (Simple Annualised)

Date	Scheme	Benchmark	Additional Benchmark	Value of Investment of Rs. 10,000		
	TRUSTMF Liquid Fund	CRISIL Liquid Fund Index	CRISIL 1 year T-Bill Index	Scheme	Benchmark	Additional Benchmark
23 Apr - 30 Apr (7 days)	3.69%	3.47%	3.31%	10,007.07	10,006.65	10,006.35

Disclaimer : The inception date of the scheme is April 23, 2021. Returns furnished are provided on a simple annualized basis. Apart from TRUSTMF Liquid Fund, Mr. Anand Nevatia is managing the scheme TRUSTMF Banking & PSU Debt Fund. However, the performance details are not furnished because the scheme has not completed six months. Benchmark returns calculated based on Total Return Index Values. Different plans have a different expense structure. **Past performance may or may not be sustained in future.**

Note for "Provisional ICRA AAAMfs": TRUSTMF Banking & PSU Debt Fund is rated as "Provisional ICRA AAAMfs". Such rating is considered to have the highest 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.

Note for "Provisional ICRA A1+mfs": TRUSTMF Liquid Fund is rated as "Provisional ICRA A1+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.

General Disclaimer: As per AMFI Best Practice Guidelines , disclosures such as Yield to Maturity and Yield to call is provided in line with the stipulated guidelines. This should not be construed as indicative returns that may be generated by the fund and the securities bought by the Fund may or may not be held till the respective maturities. The information herein above is meant only for general reading purposes to provide a broad understanding about the scheme framework the actual position may vary. For preparation of this material Trust Asset Management Private Limited has used information that is publicly available and information developed in-house. The AMC does not warrant the accuracy, reasonableness and / or completeness of any information. The AMC, Trustee Company, its sponsors and affiliates shall not be liable for any direct, indirect or consequential loss. The words and expression contained in this material shall mean forward looking but the actual result may differ. Investors are advised to consult their own investment/financial advisor before making any investment decision in light of their risk appetite, investment goals and horizon. Past performance may or may not be sustained in the future. Please refer to the scheme related documents before investing for details of the scheme including investment objective, asset allocation pattern, investment strategy, risk factors and taxation.etc.

TRUST Asset Management Private Limited

801, Naman Center, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.

Phone: +91 22 6274 6000
CIN: U65929MH2017PTC302677
Website: www.trustmf.com

Here are a few important terms that you need to know while reading a factsheet.

Fund Manager: An employee of the asset management company of a mutual fund, who manages investments of the scheme. He is a part of Investment Team.

Application Amount for Fresh Subscription: This is the minimum investment amount for a new investor in a mutual fund scheme.

Minimum Additional Amount: This is the minimum investment amount for an existing investor in a mutual fund scheme.

Yield to Maturity: The Yield to Maturity or the YTM is the rate of return anticipated on a bond if held until maturity. YTM is expressed as an annual rate. The YTM factors in the bond's current market price, par value, coupon interest rate and time to maturity.

SIP: SIP or systematic investment plan works on the principle of making periodic investments of a fixed sum in the scheme of Mutual Fund. For instance, an investor may opt for an SIP that invests Rs 500 every 15th of the month in any mutual fund scheme.

NAV: The NAV or the net asset value is the total asset value per unit of the mutual fund after deducting all related and permissible expenses. The NAV is calculated at the end of every business day. It is the value at which the investor enters or exits the mutual fund.

Benchmark: A group of securities, usually a market index, whose performance is used as a standard or benchmark to measure investment performance of mutual funds, among other investments. Some typical benchmarks include the Nifty, Sensex, BSE200, BSE500, 10-Year G-sec. etc.

Entry Load: A mutual fund may have a sales charge or load at the time of entry and/or exit to compensate the distributor/agent in compliance with the guidelines specified by SEBI.

Note: SEBI, vide circular dated June 30, 2009 has abolished entry load and mandated that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.

Exit Load: Exit load is charged at the time an investor redeems the units of a mutual fund. The exit load is deducted from the prevailing NAV at the time of redemption. For instance, if the NAV is 100 and the exit load is 1%, the redemption price would be 99 Per Unit.

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

Standard Deviation: Standard deviation is a statistical measure of the range of an investment's performance. When a mutual fund has a high standard deviation, it means its range of performance is wide, implying greater volatility.

Sharpe Ratio: The Sharpe Ratio, named after its founder, the Nobel Laureate William Sharpe, is a measure of risk-adjusted returns. It is calculated using standard deviation and excess return to determine reward per unit of risk.

Beta: Beta is a measure of an investment's volatility vis-à-vis the market. Beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.

AUM: AUM or assets under management refers to the recent / updated cumulative market value of investments managed by a mutual fund or any investment firm.

Holdings: The holdings or the portfolio is a mutual fund's latest or updated reported statement of investments/securities. These are usually displayed in terms of percentage to net assets or the rupee value or both. The objective is to give investors an idea of where their money is being invested by the fund manager.

Nature of Scheme: The investment objective and underlying investments determine the nature of the mutual fund scheme. For instance, a mutual fund that aims at generating capital appreciation by investing in stock markets is an equity fund or growth fund. Likewise, a mutual fund that aims at capital preservation by investing in debt markets is a debt fund or income fund. Each of these categories may have sub-categories.

Rating Profile: Mutual funds invest in securities after evaluating their creditworthiness as disclosed by the ratings. A depiction of the mutual fund in various investments based on their ratings becomes the rating profile of the fund. Typically, this is a feature of debt funds.

LOOK BEYOND SHORT TERM RATINGS



Our fund emphasizes on providing a high quality portfolio by preferring an Investible Universe of Issuers having only AAA Long Term Rating and securities maturing in less than 91 days. This unique and structured investment approach and LimitedACTIV methodology is adopted with the help of our strategic knowledge partner - CRISIL**

INVEST IN

TRUSTMF Liquid Fund

(An open-ended Liquid Scheme)

Powered by



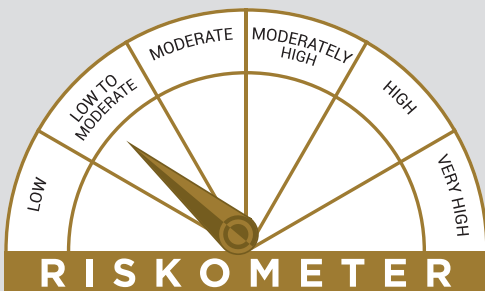
Limited**ACTIV**TM



Scan
to
invest

**CRISIL has been engaged for - construction and periodic rebalancing of model portfolio and universe, back testing & ongoing investment process validation.

To know more, Consult your financial advisor or
Call Toll Free **1800 267 7878** or E-mail us at info@trustmf.com



Investors understand that their principal will be at Low to Moderate Risk

This Product is suitable for investors who are seeking*

- Income over short term
- Investment in debt and money market instruments

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

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