

# Mirae Asset Banking And PSU Debt Fund (MABPDF)

(An open ended debt scheme predominantly investing in debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds.)

## PRODUCT UPDATE June 2021

### MARKET OUTLOOK^

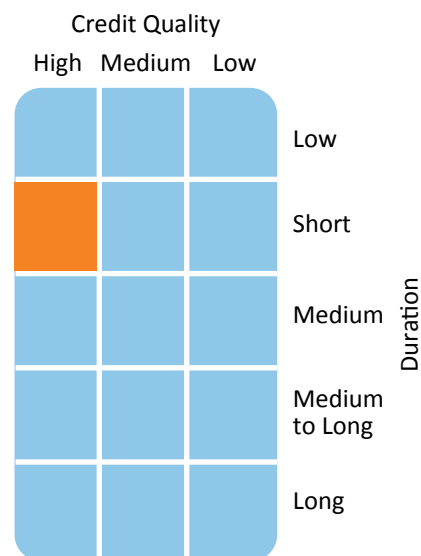
The major parameters for Indian economy to watch are – Recovery on Covid-19 and RBI policies and actions. Vaccinations ramped-up post Centre took control but only ~6% of India's adult population was fully inoculated & ~29% with the first dose. With fall in Covid cases, states eased restrictions by allowing restaurants to open with 50% capacity, longer working hours etc. However, Delta Plus variant posed a risk to phase-wise unlocking in some states.

Apart from improvement in COVID-19 cases, there are two major measures taken last month by Finance Minister and RBI to support the economy and boost the growth. RBI highlighted the ongoing growth concerns amidst a second wave of infections and retained policy rates and maintained accommodative stance until growth revival becoming sustainable. There were indications by some MPC members that they would be somewhat tolerant to inflation being at the upper end of their flexible target. It conducted third tranche of G-SAP 1.0 and announced the calendar of G-SAP 2.0 for the Q2FY22.

The inflation trajectory is likely to be shaped by uncertainties impinging on the upside and the downside. The rising trajectory of international commodity prices, especially of crude, together with logistics costs, pose upside risks to the inflation outlook. But with declining infections and easing restriction across states could ease gradually and mitigate disruptions to supply chains, reducing cost pressures inflation might remain in comfort zone of RBI. Strengthen global economy will improve trade and reduced cases and increased vaccination for 18 and above will improve the growth for India. With liquidity remaining easy and uncertain at the longer end and steepen yield curve at 7 years and 5 years, we expect Bond yields likely to remain range bound.

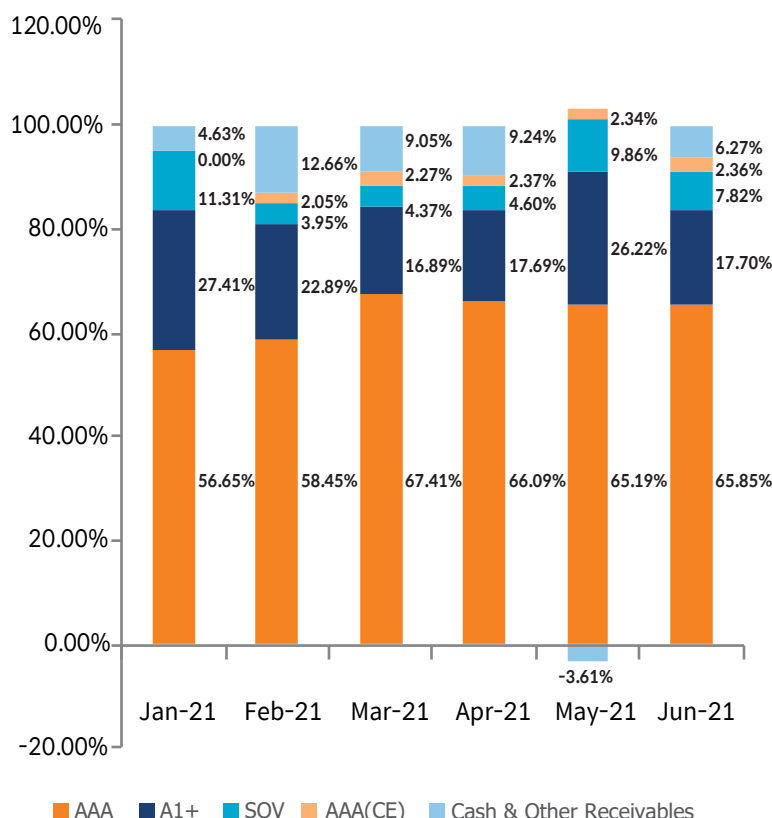
### FUND COMMENTARY

We Expect interest rates to remain range bound in the near term and fund duration is likely to remain in 1.75-2.50 range. In the last month allocation is increased in high quality 1 to 3 years papers. In the coming month, Fund will look to capture current volatility through investing in PSU bonds and govt securities within the range.



We endeavour to maintain the high credit quality and duration will change based on interest rate outlook

### RATING ALLOCATION



	Jun' 2021	May' 2021
AAA	65.85%	65.19%
A1+	17.70%	26.22%
SOV	7.82%	9.86%
AAA(CE)	2.36%	2.34%
Cash & Other Receivables	6.27%	-3.61%

### DEBT RATIOS

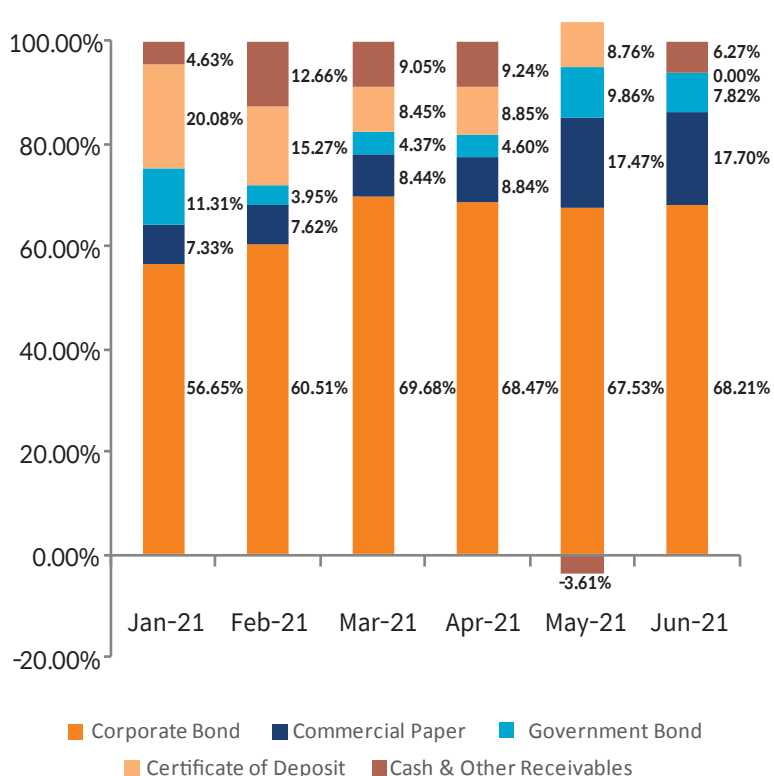
	Jun' 2021	May' 2021
YTM	4.77%	4.69%
Weighted Average Maturity	2.33 Years	2.73 Years
Modified duration	1.96 Years	2.22 Years
Macaulay duration	2.07 Years	2.34 Years

## PORTFOLIO TOP HOLDINGS\*\*

Name of Instrument	Rating	Jun-21
<b>Corporate Bond</b>		
4.64% Oil & Natural Gas Corp Ltd (21/11/2023)	ICRA AAA	6.64%
7% Hindustan Petroleum Corp Ltd (14/08/2024)	CRISIL AAA	4.63%
6.79% Housing & Urban Development Corp Ltd (14/04/2023)	ICRA AAA	4.59%
6.72% National Bank For Agriculture and Rural Development (14/04/2023)	ICRA AAA	4.59%
<b>Commercial Paper</b>		
NLC India Ltd (18/08/2021)	CARE A1+	6.64%
Export Import Bank of India (27/07/2021)	CRISIL A1+	4.43%
NTPC Ltd (24/08/2021)	CRISIL A1+	4.42%
<b>Government Bond</b>		
5.63% GOI (12/04/2026)	SOV	5.53%
6.18% GOI (04/11/2024)	SOV	2.29%

\* Portfolio may or may not remain the same.  
For complete monthly portfolio, please visit the website:  
[miraeassetmf.co.in/downloads/portfolio](http://miraeassetmf.co.in/downloads/portfolio)

## PORTFOLIO COMPOSITION



## IDEAL INVESTOR PROFILE



**Goal:**  
Income generation



**Investment Time Horizon:**  
3 Years



**Risk Profile:**  
Moderate

## INVESTMENT FRAMEWORK



**Relative Safety:** Fund will have higher Allocation in AAA rated instruments.



**Liquidity:** High Liquidity by investing in G-sec and Banking & PSU papers.



**Duration:** Generally maintain duration of 2 to 5 years with use of G-sec to shift duration.



**Style:** Active management based on credit spread and interest rate outlook.

## WHY INVEST IN MIRAE ASSET BANKING AND PSU FUND?



The fund uses active management strategy based on credit spread and interest rate outlook.



Fund follows active management style which works in all cycles including flat and rising interest rate scenario. It uses G-sec to maintain liquidity and manage duration of the fund.



Credit storm is not yet over and regulators are coming with new regulation to ensure safety of investors capital. Hence, it important to choose fund with quality portfolio. Fund has always invested in G-sec, AAA and A1+ papers only, hence there was no impact of any regulatory change on it and it has not seen any downgrades/defaults.

Source for Fund data in all debt product guides: Internal, data as on 30<sup>th</sup> June 2021.  
Source for Market Outlook: Internal views and Bloomberg as on 30<sup>th</sup> June 2021.

## INVESTMENT DETAILS



**Allotment Date:**  
24<sup>th</sup> July 2020



**Plans and options:** Regular Plan and Direct Plan with Growth and Payout of income Distribution cum Capital Withdrawal option/Reinvestment of income Distribution cum Capital Withdrawal option^.



**Benchmark:** NIFTY Banking and PSU Debt Index



**Fund Manager:**  
Mr. Mahendra Jajoo  
(since 24<sup>th</sup> July, 2020)



**SIP Amount:** Monthly and Quarterly:  
₹1,000/- (multiples of ₹1/- thereafter),  
minimum 5 installments



**Minimum Investment Amount:** ₹5,000/- and in multiples of ₹1/- thereafter.



**Monthly Average AUM**  
(₹Cr.): ₹225.02

\*Pursuant to Notice cum addendum dated March 27, 2021 the nomenclature of dividend option has been changed w.e.f, April 01, 2021.

#The sector (s) / stock (s) / issuer (s) mentioned in this document do not constitute any research report/recommendation of the same.

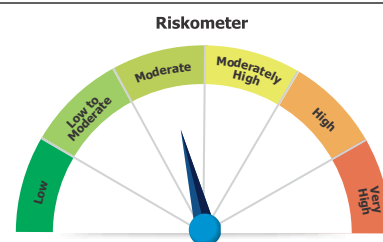
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## PRODUCT LABELLING

Mirae Asset Banking and PSU Debt Fund is suitable for investors who are seeking\*:

- Income over short to medium term
- To generate income / capital appreciation through predominantly investing in debt and money market instruments issued by Banks, Public Sector Undertakings (PSUs), Public Financial Institutions (PFIs) and Municipal Bonds

\*Investors should consult their financial advisers if they are not clear about the suitability of the product.



Investors understand that their principal will be at Moderate Risk

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

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