Canara Robeco Banking and PSU Debt Fund

An open-ended debt scheme predominantly investing in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds. Relatively high interest rate risk and moderate credit risk

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.
Canara Robeco Banking and PSU Debt Fund

This product is suitable for investors who are seeking*

- Income/Capital appreciation over short to medium term
- Investment 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 in doubt about whether the product is suitable
FIXED INCOME MARKET REPORT CARD
ABOUT CANARA ROBECO
CANARA ROBECO BANKING & PSU DEBT FUND
INVESTORS SUITABILITY
SCHEME FEATURES
Fixed Income Market Report Card

1. RBI Focus on Inflation Control while keeping growth in mind
2. Bond Yields to stabilize
3. Economic Recovery
4. External Situation – CAD and Currency

Note: The opinions expressed on this slide are the fund management views of Canara Robeco Asset Management regarding the current economic situation. The view of the Fund Managers should not be construed as investment advice. Investors should consult their financial advisers if in doubt about whether an investment recommendation is suitable for them.
ABOUT CANARA ROBECO

Canara Robeco Banking & PSU Debt Fund

Investors Suitability

Scheme Features

Fixed Income Market Report Card
Canara Robeco Fixed Income - Investment Philosophy

Safety - Most Important Filter In An Investment Decision

- Minimize credit risk
  - Majority of Investment in above AA/A1+ rated assets
- Independent credit research
  - Due diligence to evaluate a borrower’s ability and willingness to repay the debt on time
  - Emphasis on strong parentage
- De-risk the portfolio on downgrades
- Strict adherence to regulatory limits and controlled through Bloomberg system on real time basis

Liquidity - Core to our Investment Philosophy

- Asset-liability match and stress test

Return - Aim to maximize returns by following a Disciplined Investment Process

Note: The above is only for general understanding purposes and should not be construed as CRAMC investment policy or portfolio construction process.
Risk Officer responsible for ongoing Risk Management

- Dedicated Risk Management Team
- Risk profiling of portfolios
- Limit on active bets
- Sector exposure Limit
- Tracking error
- Ratio VaR
- Limit on illiquid investments
- Instrument exposure Limits
- Risk rules embedded in front office system
- Weekly reports generation & circulation
- Liquidity profile of portfolios
- Exception reporting RMC
- RMC is updated with changes in the regulatory / investment environment
- Limit & Control Structures reviewed, modifications / additions made as required

Note: The above is only indicative in nature and should not be construed as CRAMC Risk Management Policy or Process. There is no assurance or guarantee that the investment objective of the scheme will be achieved.
Proactive Credit Risk Management

It is to be noted that as a Fund House, Canara Robeco AMC did not have any exposure to the issuers at the time of their default during the credit crisis period of 2018-2020.
Stringent Risk Management – Key to superior risk adjusted return across interest rate cycles

Risk control process to manage risks through tools such as issuer/sector limits, Liquidity tracking, managing portfolio concentration and Weighted average maturity to ensure that the portfolio liquidity is maintained.

Maintaining a conservative portfolio through exposure to high credit quality issuers with low credit risk profile.

Optimal Diversification among sectors to achieve consistency in returns.

Given our expertise in managing debt portfolios with high credit quality papers and with low credit risk, we plan for a New Fund Offer in the Banking & PSU Category.

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FIXED INCOME MARKET REPORT CARD
ABOUT CANARA ROBECO
CANARA ROBECO BANKING & PSU DEBT FUND
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SCHEME FEATURES

CANARA ROBECO Mutual Fund
Presenting: Canara Robeco Banking and PSU Debt Fund

(An open-ended debt scheme predominantly investing in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds. Relatively high interest rate risk and moderate credit risk)

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.
Why invest in a Banking & PSU themed debt fund?

Geo-political situation remains volatile; high commodity prices to persist

High inflation leading to sharp tightening in monetary conditions

Extremely low rates supported higher debt burdens

Funding costs are likely to see a sharp rise

Demand in the economy is likely to take a hit

Rising funding costs coupled with drop in demand is likely to squeeze margins

Credit profile of lower rated companies may deteriorate in coming years

Thus, it is prudent to invest in a portfolio of AAA/A1+ rated securities primarily issued by Banks and PSUs which are of high credit quality and carry a relatively lower credit risk.

Note: The opinions expressed on this slide are the fund management views of Canara Robeco Asset Management regarding the Current economic situation. The view of the Fund Managers should not be construed as investment advice. Investors should consult their financial advisers if in doubt about whether an investment recommendation is suitable for them.
The fund seeks to generate **optimal returns** by investing in debt & money market instruments issued primarily by banks, public financial institutions (PFIs), public sector undertakings (PSUs) and municipal bonds.

An **actively managed fund** that aims to **manage duration** and **capture opportunities** in the interest rate cycle and mispricing on the yield curve.

Canara Robeco Banking and PSU Debt Fund intends to maintain **high credit quality and liquidity** in the portfolio.

The fund aims to invest **~80% of the portfolio in bonds & money market instruments issued by Banks, PSUs & Public Financial Institutions and Municipal Bonds** and remaining **~20% in G-Secs/SDLs and other AAA or equivalent debt/ money market securities.**
How the Fund will Invest?

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Indicative Asset Allocation (% of total assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt and Money Market Instruments issued by Banks, Public Financial Institutions (PFIs), Public Sector Undertakings (PSUs) and Municipal Bonds</td>
<td>Minimum 80% Maximum 100%</td>
<td>Low to Medium</td>
</tr>
<tr>
<td>Debt (including securities issued by Central and State Governments) and Money Market Instruments issued by entities other than Banks, PFIs, PSUs and Municipal Bonds</td>
<td>Minimum 0% Maximum 20%</td>
<td>Low to Medium</td>
</tr>
<tr>
<td>Units issued by REITs and InvITs</td>
<td>Minimum 0% Maximum 10%</td>
<td>Medium to High</td>
</tr>
</tbody>
</table>

The risks associated with issuances by Banks and PSUs are lower due to:
- Comprehensive Regulatory framework for Banks by the Reserve Bank of India.
- Government Ownership in case of PSUs/PFIs.
Portfolio Analysis

Maturity Profile

- Greater Than 2 Years: 53.84%
- 1 - 2 years: 31.90%
- 6 to 12 Months: 2.39%
- 3 to 6 Months: 0.58%
- 0 to 3 Months: 7.73%
- Net Current Assets: 3.56%

As on 29th Sept ‘23
Portfolio Analysis

As on 29th Sept '23

Asset Allocation
- NCDs/Bonds: 76.93%
- Treasury Bills/Sovereign: 11.79%
- TREPS/Repo/Reverse Repo & Net Current Assets: 11.29%

Rating Allocation
- AAA & Equivalent: 76.93%
- Treasury Bills/Sovereign: 11.79%
- TREPS/Repo/Reverse Repo & Net Current Assets: 11.29%
Why Invest in Canara Robeco Banking & PSU Debt Fund?

<table>
<thead>
<tr>
<th>Reason</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR AMC is India’s second oldest asset manager, in existence since 1993, tied into the JV since September 2007.</td>
<td>Canara Robeco Banking &amp; PSU Debt Fund would focus on a portfolio primarily of “AAA rated bonds issued by Banks and PSU”.</td>
</tr>
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<td>The Fund would be a “High Credit Quality” portfolio; thus, providing a higher liquidity benefit.</td>
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<td>Fund would invest in “High Grade Assets” that are either government – backed entities or systemically important private banks/entities. This potentially provides lower credit risk.</td>
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<td>The Fund would be an “Actively Managed Fund” that aims to capture opportunities in the interest rate cycle and mispricing on the yield curve.</td>
</tr>
</tbody>
</table>

**CANARA ROBECO Mutual Fund**
Who should Invest in this fund?

- Investors who wish to take exposure towards bonds issued by Banks, Public Sector Undertakings and other government backed securities.
- Investors with a medium-term investment horizon of 2-3 years.
- Investors having relatively low to medium risk appetite looking to invest in high credit quality bonds with good liquidity.
- Investors seeking to gain from accrual and duration calls by investing in short to medium term maturity bonds.
## Fund Summary:

<table>
<thead>
<tr>
<th>Type</th>
<th>An open-ended debt scheme predominantly investing in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds. Relatively high interest rate risk and moderate credit risk.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Objective</td>
<td>To generate income and/or capital appreciation through a portfolio of high-quality debt and money market instruments issued by entities such as Banks, Public Sector Undertakings (PSUs), Public Financial Institutions (PFIs) and Municipal Bonds. However, there is no assurance that the objective of the fund will be realized.</td>
</tr>
<tr>
<td>Inception Date</td>
<td>22-August-2022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset Allocation</th>
<th>Types of Instruments</th>
<th>Indicative allocation (% of total assets)</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Debt and Money Market Instruments issued by Banks, Public Financial Institutions (PFIs), Public Sector Undertakings (PSUs) and Municipal Bonds</td>
<td>Minimum: 80%</td>
<td>Maximum: 100%</td>
</tr>
<tr>
<td></td>
<td>Debt (including securities issued by Central and State Governments) and Money Market Instruments issued by entities other than Banks, PFIs, PSUs and Municipal Bonds</td>
<td>Minimum: 0%</td>
<td>Maximum: 20%</td>
</tr>
<tr>
<td></td>
<td>Units issued by REITs and InvITs</td>
<td>Minimum: 0%</td>
<td>Maximum: 10%</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Plans &amp; Options</th>
<th>Regular Plan &amp; Direct Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) Growth</td>
</tr>
<tr>
<td></td>
<td>(b) Income Distribution cum capital withdrawal option:</td>
</tr>
<tr>
<td></td>
<td>- Reinvestment of Income Distribution cum capital withdrawal option</td>
</tr>
<tr>
<td></td>
<td>- Payout of Income Distribution cum Capital Withdrawal Option</td>
</tr>
</tbody>
</table>

| Fund Size | Rs. 424.99Cr (As on 29th Sept ’23) |

<table>
<thead>
<tr>
<th>Load Structure</th>
<th>Entry Load: Nil</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exit Load: Nil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>CRISIL Banking and PSU Debt Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Manager</td>
<td>Mr. Avnish Jain</td>
</tr>
</tbody>
</table>
# Fund Manager Performance

**Fund Manager:** Mr. Avnish Jain

<table>
<thead>
<tr>
<th>Scheme Names</th>
<th>CAGR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Year Return</td>
</tr>
<tr>
<td></td>
<td>Scheme</td>
</tr>
<tr>
<td>CANARA ROBECO EQUITY HYBRID FUND*</td>
<td>13.37</td>
</tr>
<tr>
<td>CANARA ROBECO CONSERVATIVE HYBRID FUND**</td>
<td>8.14</td>
</tr>
<tr>
<td>CANARA ROBECO LIQUID FUND</td>
<td>6.90</td>
</tr>
<tr>
<td>CANARA ROBECO SAVINGS FUND</td>
<td>6.92</td>
</tr>
<tr>
<td>CANARA ROBECO ULTRASHORT TERM FUND</td>
<td>6.26</td>
</tr>
<tr>
<td>CANARA ROBECO CORPORATE BOND FUND</td>
<td>6.05</td>
</tr>
<tr>
<td>CANARA ROBECO GILT FUND</td>
<td>5.55</td>
</tr>
<tr>
<td>CANARA ROBECO DYNAMIC BOND FUND</td>
<td>5.87</td>
</tr>
<tr>
<td>CANARA ROBECO INCOME FUND</td>
<td>5.66</td>
</tr>
<tr>
<td>CANARA ROBECO SHORT DURATION FUND</td>
<td>6.21</td>
</tr>
<tr>
<td>CANARA ROBECO BANKING AND PSU DEBT FUND</td>
<td>6.34</td>
</tr>
</tbody>
</table>

**Note:**

a. Mr. Avnish Jain manages 11 open-ended schemes of Canara Robeco Mutual Fund.
b. Period for which scheme’s performance has been provided is computed basis last day of the month end preceding the date of advertisement.
c. Different plans shall have a different expense structure. The performance details provided herein are of Regular plan - Growth Option.d. *Managing the portfolio only for debt allocation.e. *As per the provisions of SEBI circular dated April 12, 2013 (Performance disclosure post consolidation/Merger of schemes), the past performance of aforesaid scheme is based on the historical NAV of Canara Robeco Income Savings Fund ( erstwhile Canara Robeco Monthly Income Plan) and hence may not be comparable.
f. Past performance may or may not be sustained in the future.
g. - Corresponding Benchmark values not available.
h. N.A. - Not Applicable because scheme is in existence for less than 3 year.
The information used towards formulating the outlook have been obtained from sources published by third parties. While such publications are believed to be reliable, however, neither the AMC, its officers, the trustees, the Fund nor any of their affiliates or representatives assume any responsibility for the accuracy of such information. CRMF, its sponsors, its trustees, CRAMC, its employees, officer, directors, etc. assume no financial liability whatsoever to the user of this document. Mutual Fund Investments are subject to market risk. Investors are requested to read the Scheme related documents carefully before investing.

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