Bajaj Finserv

# Banking and PSU Debt Fund



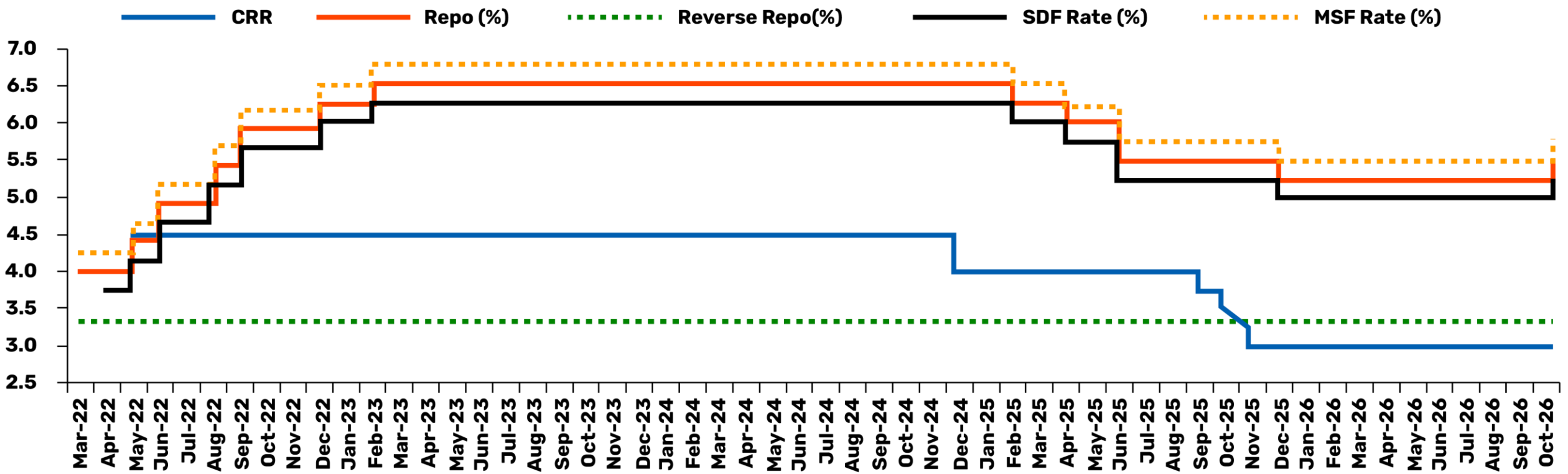
An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds with relatively high interest rate risk and moderate credit risk.

**November 2026**

# Current Debt Market Outlook



# RBI stance shifts to calibrated tightening




**At its meeting held from October 5 to 7, 2026, the RBI's MPC raised the repo rate by 25 basis points to 5.50% and shifted its stance to calibrated tightening. The decision reflected concerns over broadening inflationary pressures amid resilient domestic growth and heightened global uncertainty.**

Source : MOSPI, RBI

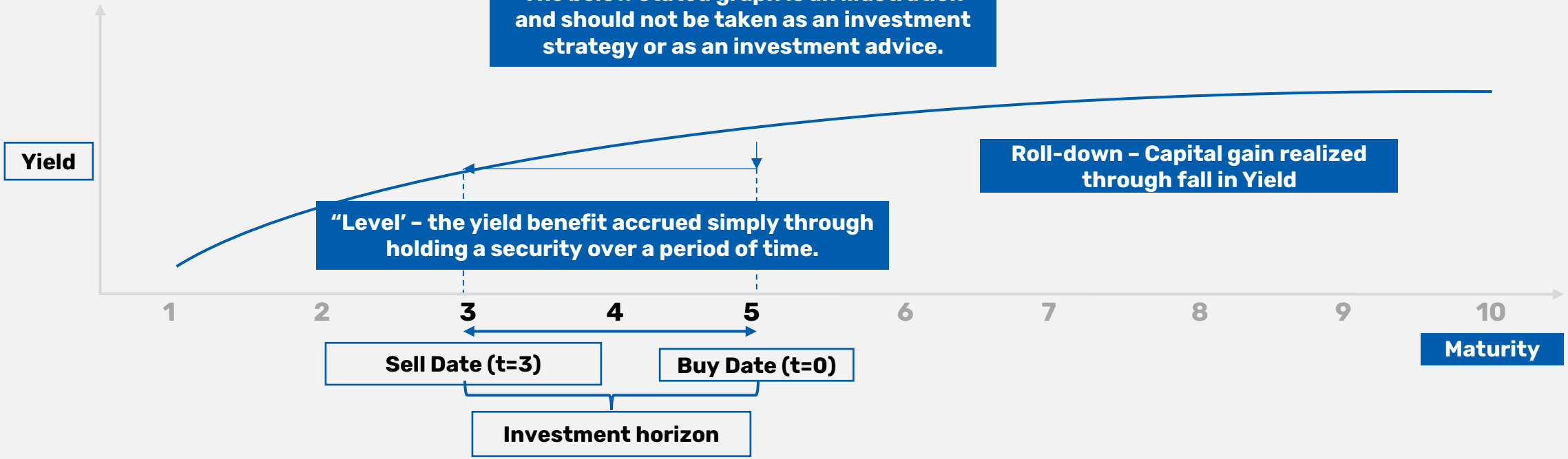
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# Banking and PSU Debt Fund: The opportunity



# Riding the Yield Curve: Explained

**The below stated graph is an illustration and should not be taken as an investment strategy or as an investment advice.**




Riding the yield curve refers to a fixed-income strategy where investors purchase long-term bonds with a maturity date longer than their investment time horizon.

Investors then sell their bonds at the end of their time horizon, profiting from the declining yield that occurs over the life of the bond.

For example, an investor with a 3-Yr investment horizon may buy a 5-Yr bond because it has a higher yield, the investor sells the bond at the 3-Yr date but profits from the higher 5-Yr yield.

If interest rates fall and/or yield curve shape changes to normal, then riding the yield curve is considered to be a profitable strategy.

**Please note that 'Riding the yield curve' is one of several investment approaches, and its performance is not guaranteed. The fund manager retains the prerogative to amend or alter the strategy as required by the regulation. This is subject to change owing to change in market conditions and opportunities available for investments.**

# What are Banking and PSU Debt Funds?

## 1 Short term to medium term

Banking and PSU Debt Funds are debt funds that invest in bonds of banks and public sector companies.




## 2 Invest in debt instruments

As per SEBI guidelines, Banking and PSU Debt Funds invest at least 80% of their assets in debt instruments of banks, public sector undertakings, public financial institutions and municipal bonds.



## 3 Better credit quality

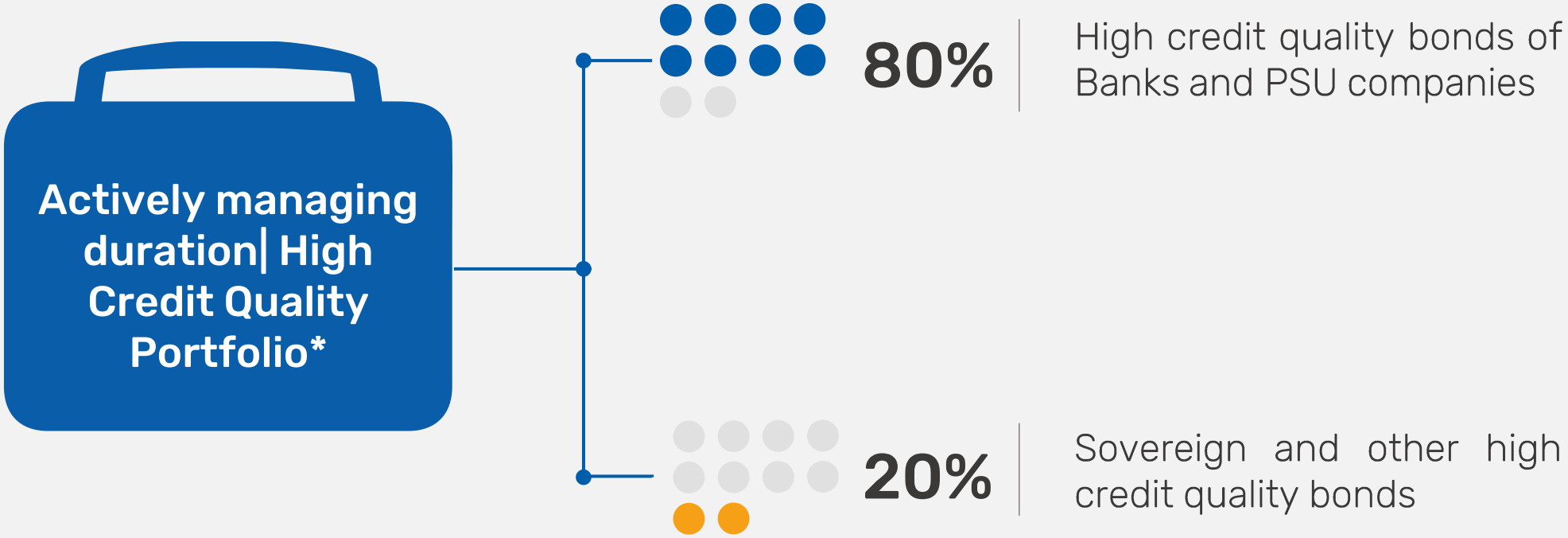
These funds have superior credit quality compared to other debt funds and they minimize risk by investing in top-rated debt instruments.



## 4 Optimizes opportunity

Banking and PSU Debt Funds maintain an optimum balance between liquidity, safety, and yield.

# Where will our scheme invest?




**For detailed list of instruments where the fund can invest, please refer to the SID section – "How will the Scheme allocate its assets??"**
***This is subject to change in market conditions and opportunities for investments**

# Introducing Bajaj Finserv Banking and PSU Debt Fund
## - Your Path to Relatively Stable Wealth Growth!

**Why choose us?**



**We endeavor to invest in high-credit-rated AAA bonds, ensuring your investment's credit quality.**



**Riding the yield curve and optimizing the performance potential for the unit of risk taken.**



**Our team brings together years of experience navigating the complex world of fixed income investments.**

**Please note that 'Riding the yield curve' is one of several investment approaches, and its performance is not guaranteed. The fund manager retains the prerogative to amend or alter the strategy as required by the regulation. This is subject to change owing to change in market conditions and opportunities available for investments.**

# Potential MTM Opportunity in AAA Corporate Bond

**The following table highlights the scenario analysis of how in case of interest rate change over the coming year, an investor may expect a certain range of performance in 5-year banking and PSU debt.**

| Scenario Analysis in Case of Change in Rate with a 5-year AAA PSU Corporate Bond Portfolio | | | | |
|---|---|---|---|---|
| Interest Rate Change in bps during a year | Present YTM (in %) | Modified Duration* | M-T-M Gain (in %) | Gross annualised Gain (%) |
| 100 | 7.65 | 3.2 | -3.20 | 4.45 |
| 75 | 7.65 | 3.2 | -2.40 | 5.25 |
| 50 | 7.65 | 3.2 | -1.60 | 6.05 |
| 25 | 7.65 | 3.2 | -0.80 | 6.85 |
| 0 | 7.65 | 3.2 | 0.00 | 7.65 |
| -25 | 7.65 | 3.2 | 0.80 | 8.45 |
| -50 | 7.65 | 3.2 | 1.60 | 9.25 |
| -75 | 7.65 | 3.2 | 2.40 | 10.05 |
| -100 | 7.65 | 3.2 | 3.20 | 10.85 |

**Note: This table is provided for illustrative purpose to explain the concept of MTM opportunity owing to changes in interest rates.**

# Why invest in Bajaj Finserv Banking and PSU Debt Fund now



Current interest rare is challenging because of geopolitical tensions, inflation risk, rising commodity prices and elevated global yields.



The RBI's focus has shifted towards containing inflation and preventing persistent price pressures.



Returns are likely to be driven more by carry and accrual than by large mark-to-market gains.



Higher yields favour short- to medium-duration strategies that balance accrual opportunities with flexibility.



Banking and PSU debt funds positioned in these maturities may offer a suitable way to access these opportunities.



A sustained decline in crude oil prices could ease inflation pressures and improve the interest rate outlook.

# Who should invest?

Individuals seeking to construct a foundational debt portfolio for short to medium-term investment Horizon.

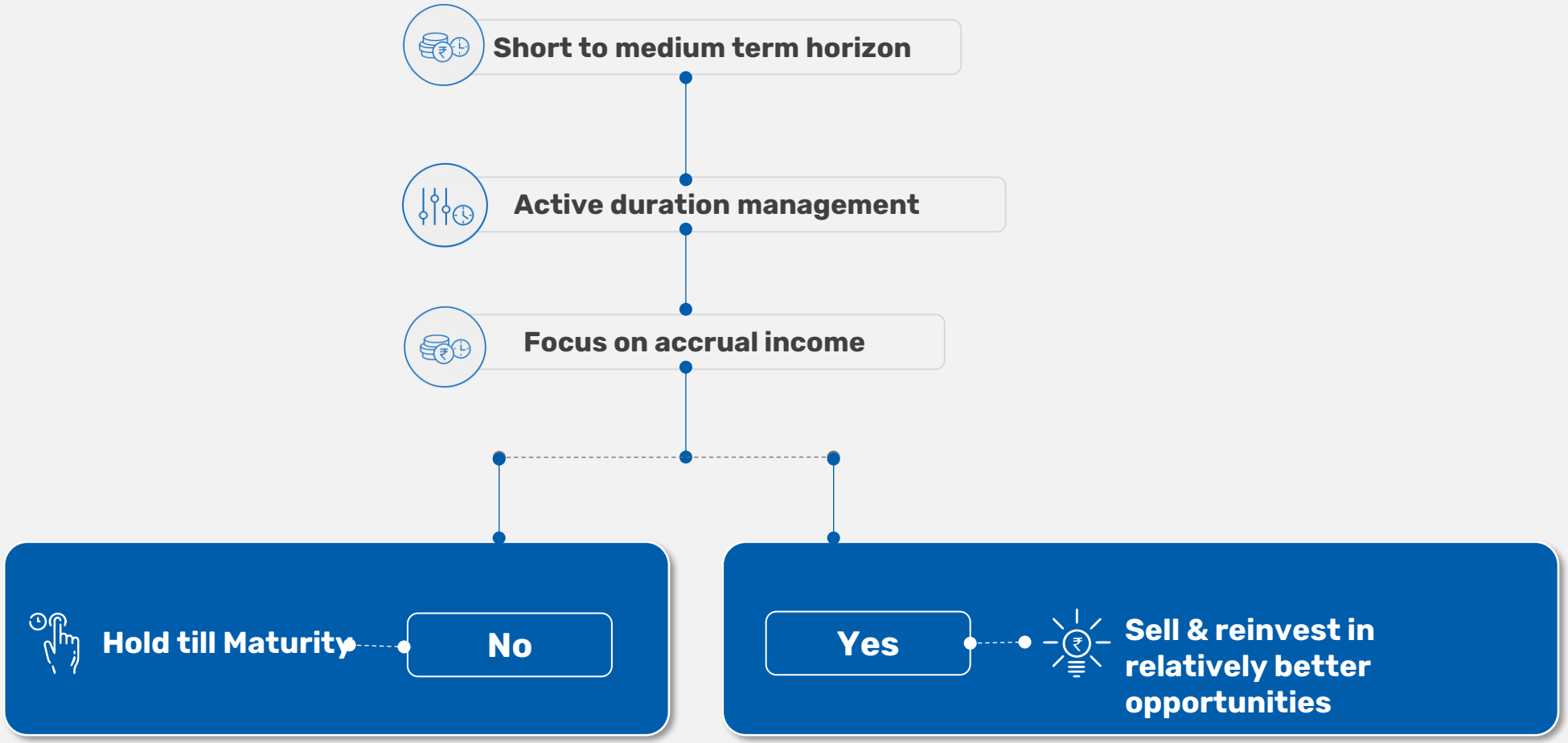
Individuals who wants relatively stable investment option for their capital




Individuals dissatisfied with the performance of traditional fixed-income options.

Investors interested in diversifying their Portfolio across various Debt Investments apart from other traditional Banking products.

# Bajaj Finserv Banking and PSU Debt Fund Strategy:
## Keeping all options open




Please note that 'Riding the yield curve' is one of several investment approaches, and its performance is not guaranteed. The fund manager retains the prerogative to amend or alter the strategy as required by the regulation.

# Bajaj Finserv AMC Fixed Income Team



**Nimesh Chandan**
**Chief Investment Officer**

- He is an Investment professional with 26 years of experience in investing in the Indian capital markets.
- Previously as Head Investments (Canara Robeco AMC), he was responsible for all Equity Business wherein he oversaw Equity assets of Rs. 400 Bn and advised Robeco funds on their India exposure of Rs. 350 Bn.

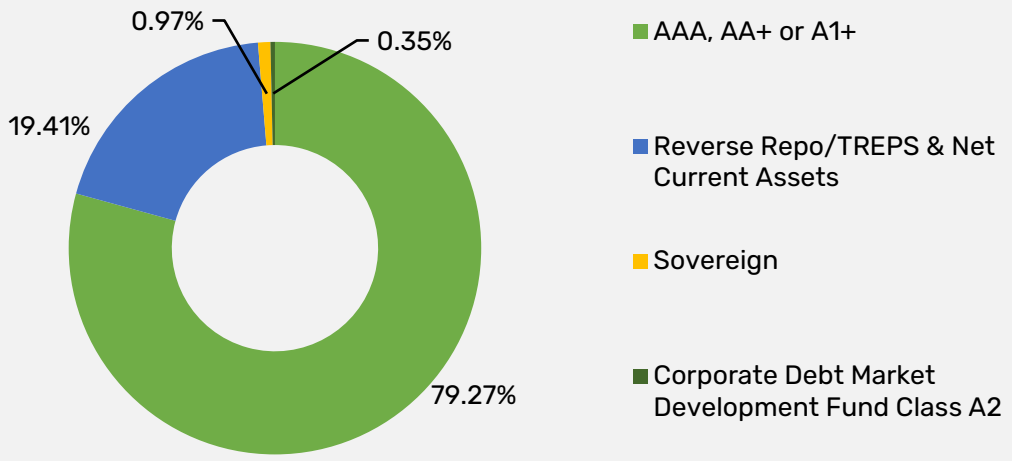


**Siddharth Chaudhary**
**Head - Fixed Income**

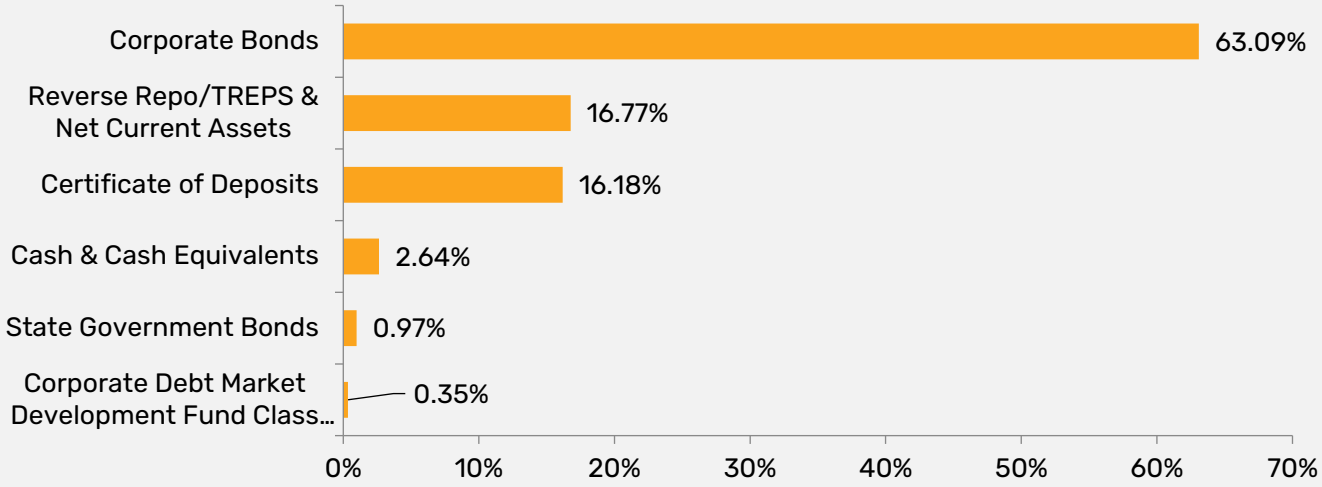
- Siddharth Chaudhary has 20 years of experience in Fixed Income Markets of which 16 years were in MF industry and 4 years in Bank Treasury.
- In his previous role, Siddharth was Head of Fixed Income, Institutional Business at Sundaram AMC, where he was responsible for managing the debt schemes.

# Bajaj Finserv Banking and PSU Debt Fund - Allocation

## Composition by Rating




## Composition by Instruments




| Scheme Name | YTM | Average Maturity | Macaulay Duration | Modified Duration |
|---|---|---|---|---|
| Bajaj Finserv Banking and PSU Debt Fund | 7.7% | 1.53 Years | 1.39 Years | 1.30 Years |

Data as on 31st October 2026

# Fund Facts

| | |
|---|---|
| **Scheme Name** | Bajaj Finserv Banking and PSU Debt Fund |
| **Scheme Category** | Banking and PSU Debt Fund |
| **Scheme Type** | An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds with relatively high interest rate risk and moderate credit risk. |
| **Scheme Riskometer** | Low to Moderate |
| **Scheme Potential Risk Class (PRC)** | B-III – A Scheme with relatively high interest rate risk and moderate credit risk. |
| **Benchmark** | NIFTY Banking and PSU Debt Index A-II |
| **Fund Manager** | Mr. Siddharth Chaudhary and Mr. Nimesh Chandan<br>A dedicated Overseas Fund Manager for investing in overseas debt securities will be onboarded prior to undertaking investments in overseas debt securities. |
| **Investment Objective** | To generate income by predominantly investing in debt & money market securities issued by Banks, Public Sector Undertaking (PSUs), Public Financial Institutions (PFI), Municipal Bonds and Reverse repos in such securities, sovereign securities issued by the Central Government and State Governments, and / or any security unconditionally guaranteed by the Govt. of India.<br>There is no assurance that or guarantee that the investment objective of the scheme will be achieved. |
| **Loads** | Entry load – Not applicable<br>Exit load – Nil |
| **NAV (in Rs.)** | Regular Growth: **12.0318** Direct Growth: **12.2291** |
| **AUM (in Rs.)** | 304.99 cr |
| **BER (%)** | Regular: 0.75 , Direct: 0.29 |

*To know the Total Expense Ratio (TER), please visit https://www.bajajamc.com/downloads?ter=

Data as on 31st October 2026

# PRC

| Potential Risk Class (PRC)<br>(Maximum risk the scheme can take) | | | | |
|---|---|---|---|---|
| Credit Risk → | | **Relatively Low (Class A)** | **Moderate (Class B)** | **Relatively High (Class C)** |
| Interest Rate Risk ↓ | | | | |
| **Relatively Low (Class I)** | | | | |
| **Moderate (Class II)** | | | | |
| **Relatively High (Class III)** | | | **B-III** | |
| **B-III-A Scheme with relatively high interest rate risk and moderate credit risk.** | | | | |

# Riskometer

## Bajaj Finserv Banking and PSU Debt Fund

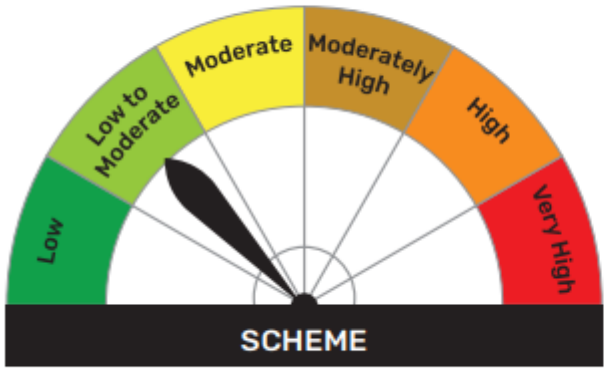
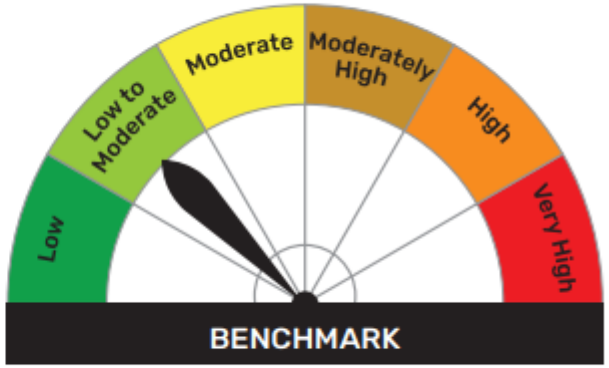
An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds with relatively high interest rate risk and moderate credit risk

This product is suitable for investors who are seeking*:

- Income over short to medium term
- Investment primarily in securities issued by Scheduled Commercial Banks (SCBs), Public Sector undertakings (PSUs), Public Financial Institutions (PFIs), Municipal Corporations and such other bodies

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

### Riskometer

| SCHEME RISK-O-METER | BENCHMARK RISK-O-METER |
|---|---|
|   The risk of the scheme is Low to Moderate |   The risk of the benchmark i.e. Nifty Banking & PSU Debt Index A-II is Low to Moderate |

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