

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.

September 2026

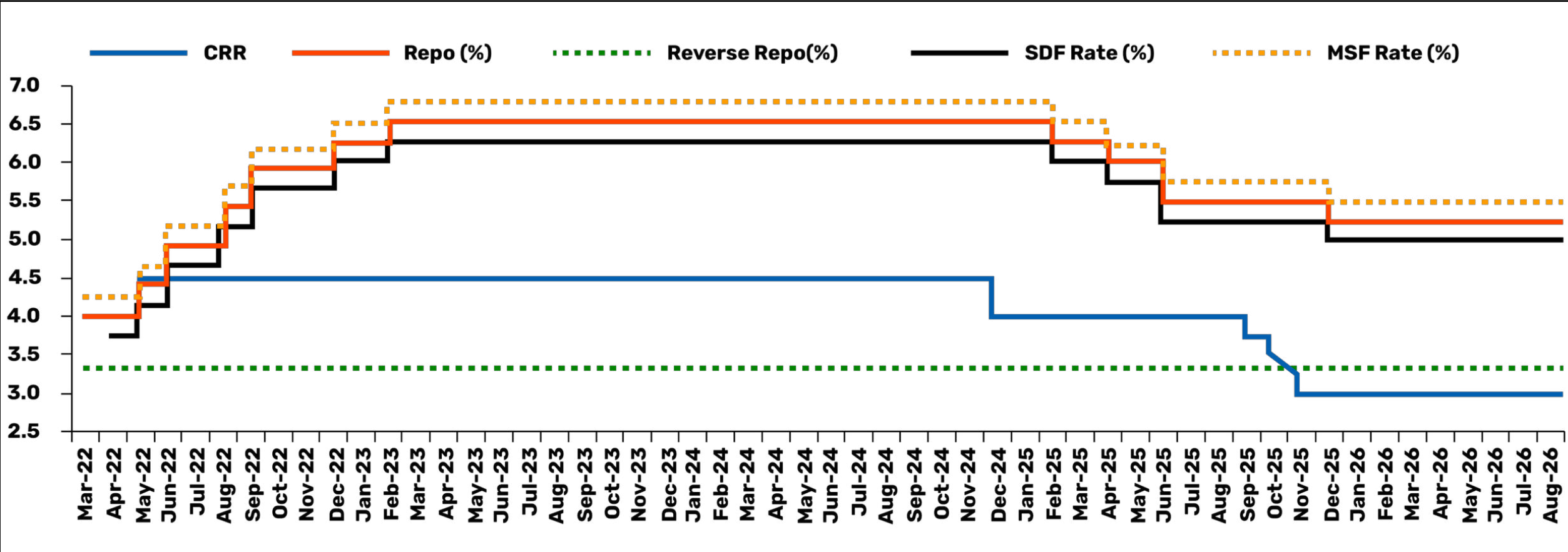


Current Debt Market Outlook



Policy Stability in a Supportive Macro Backdrop

RBI maintains status quo



The RBI in its MPC held from 3th to 5th August 2026, kept the repo rate unchanged at 5.25% and retained a neutral stance, widely in line with market expectations. The decision reflected confidence in domestic macro conditions amid rising global uncertainty. Policy rates across the corridor were left unchanged.

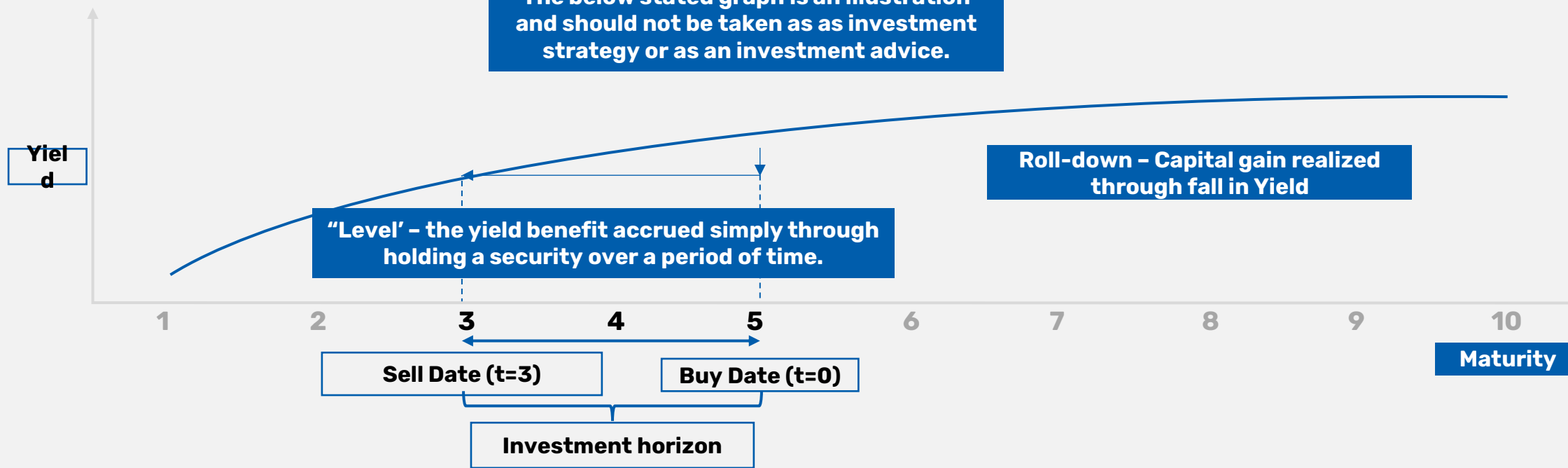
Source : MOSPI, RBI. Data as per the MPC policy held on 3th to 5th August 2026.

Bajaj Finserv **Banking and PSU Debt Fund: Seizing 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 from the current flat yield curve shape, then riding the yield curve is considered to be 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.

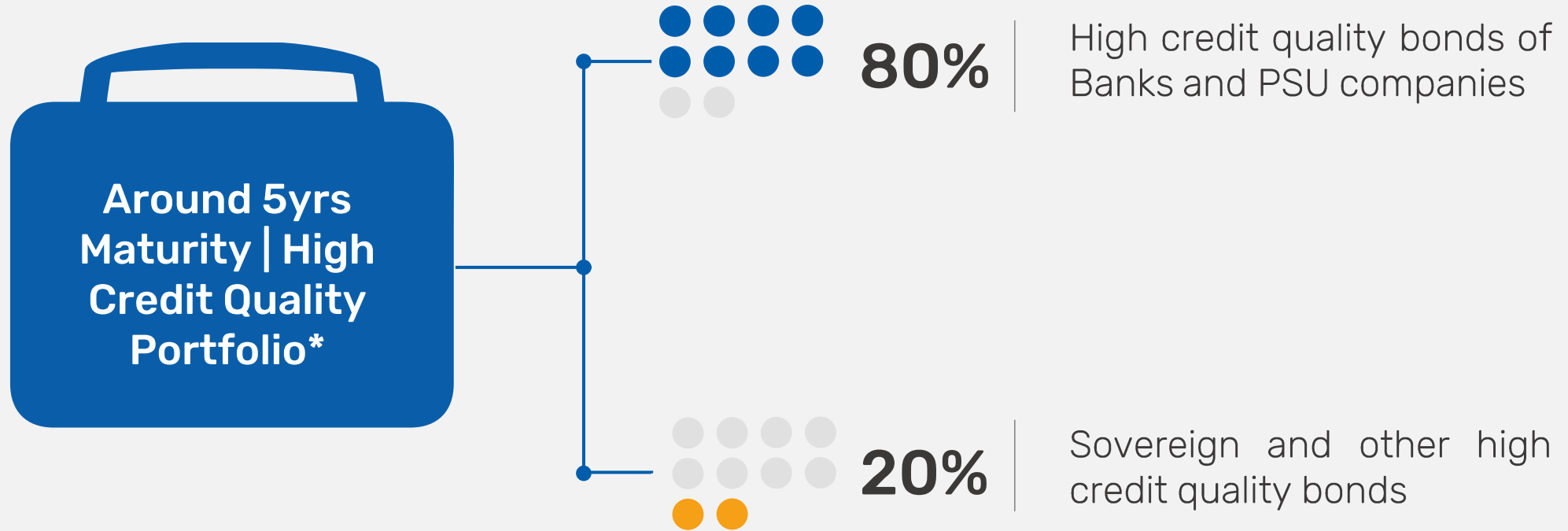


4 Optimizes opportunity

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 from around the 5-year maturity profile, 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.

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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**



Presently, the yield curve shape has largely flattened - indicating uncertainty in the market regarding allocation to the long duration of the curve.



The 5-year yields are presently trading at a higher level than the 10-year duration maturity.



Having said that, we believe that we are likely to see bull steepening in the curve going ahead.



The inclusion of India in the emerging market bond Index, expectation of a rate cut in the medium term, and the mean reversion of yields are some of the likely triggers for the potential bond rally in the market in the future.



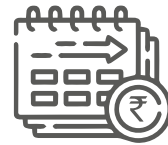
This rally is likely to provide reasonable mark-to-market gains for the investor who holds a medium to long-term investing view.



Even if the investment thesis were not to play out, the markets are presently offering a relatively high yield. Investors can lock-in the present yield levels and hold-to-maturity.

Who should invest?

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



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

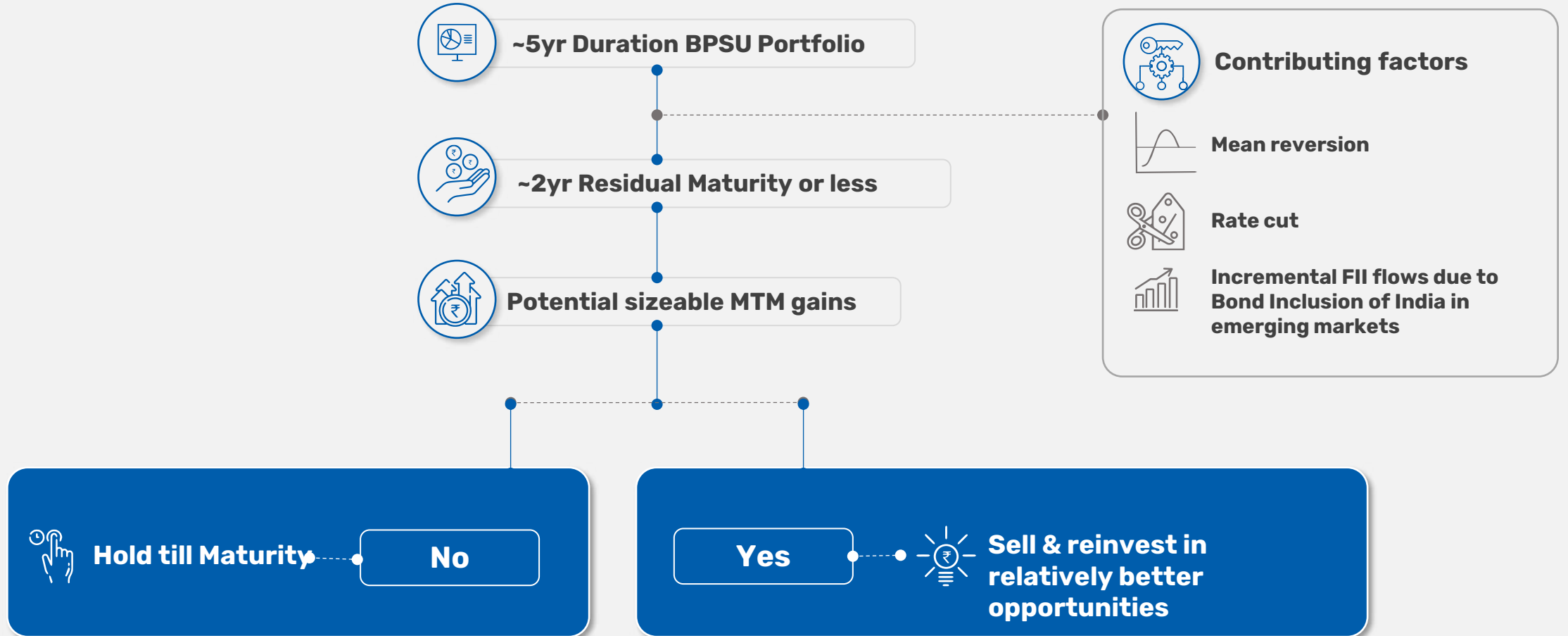
Individuals who want relatively stable investment option for their capital



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


**Who should
Invest?**

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.



- 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.



Nimesh Chandan
Chief Investment Officer



Siddharth Chaudhary
Head - Fixed Income

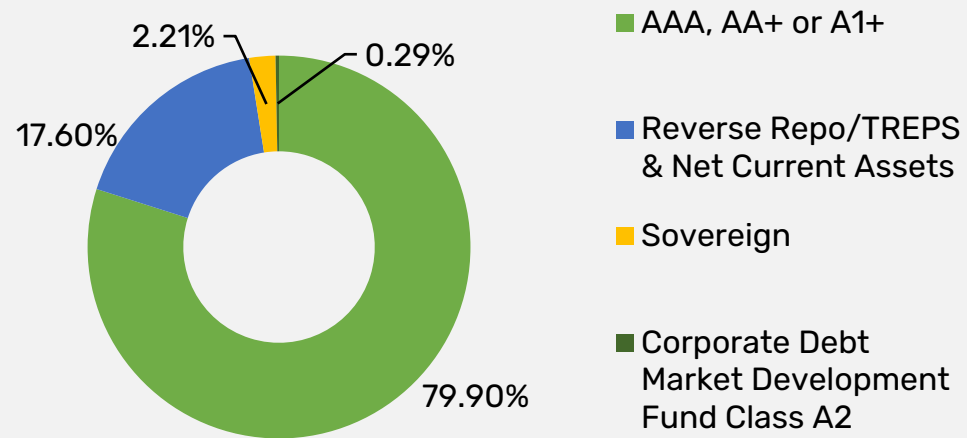


- Siddharth Chaudhary has 20 years of experience in Fixed Income Markets of which 16 years were in MF industry and 4 years in Bank Treasury.
- In his previous role, Siddharth was Head of Fixed Income, Institutional Business at Sundaram AMC, where he was responsible for managing the debt schemes.

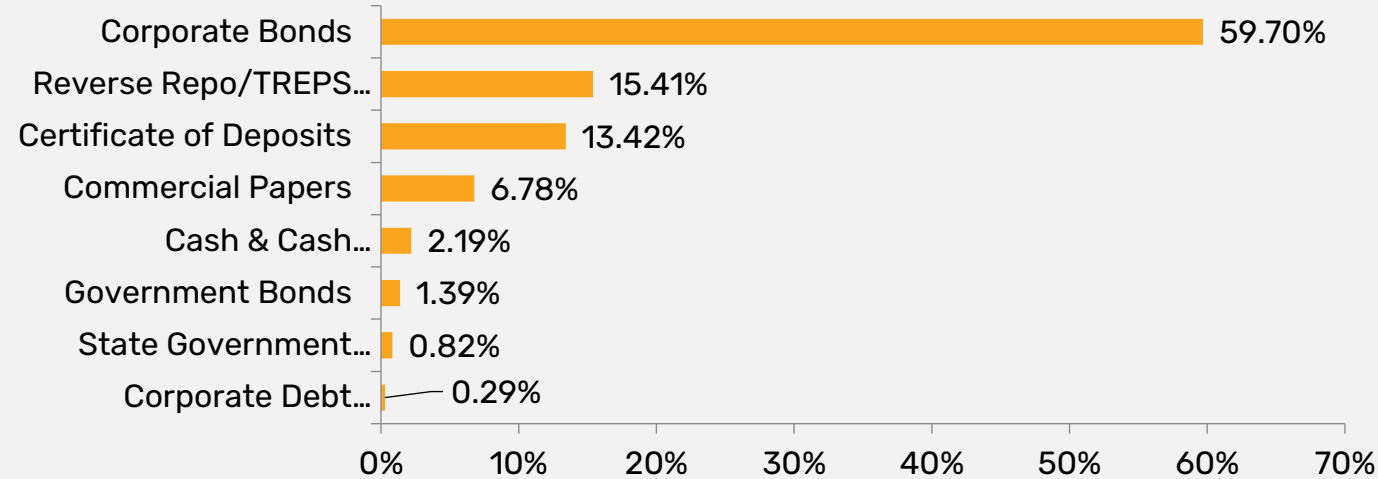


Bajaj Finserv Banking and PSU Debt Fund - Allocation

Composition by Rating



Composition by Instruments



Scheme Name	YTM	Average Maturity	Macaulay Duration	Modified Duration
Bajaj Finserv Banking and PSU Debt Fund	6.9 %	1.73 Years	1.55 Years	1.45 Years

Data as on 31st August 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 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. There is no assurance that or guarantee that the investment objective of the scheme will be achieved.
Loads	Entry load – Not applicable Exit load – Nil
NAV (in Rs.)	Regular growth: 12.0224 Direct Growth: 12.2087
AUM (in Rs.)	₹368.79 cr
BER (%)	Regular: 0.75 , Direct: 0.29

PRC

Potential Risk Class (PRC) (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.				

Bajaj Finserv Banking and PSU Debt Fund

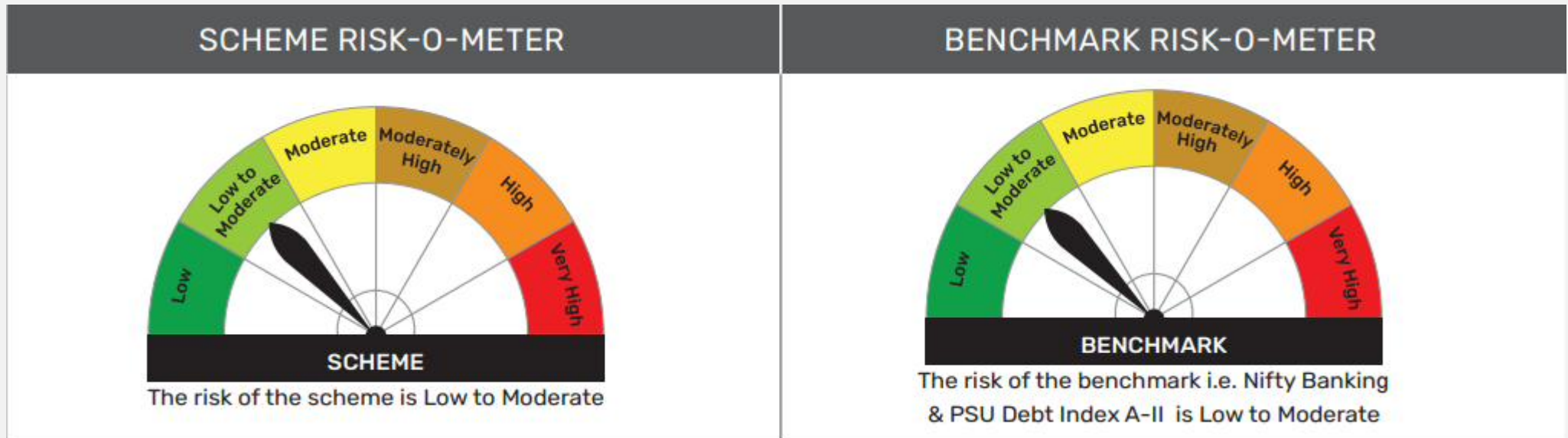
An open ended debt scheme predominantly investing in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds with relatively high interest rate risk and moderate credit risk

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



DISCLAIMER

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