



Bandhan US Treasury Bond 0-1 year Fund of Fund

An open ended fund of fund scheme investing in units / shares of overseas Index Funds and / or Exchange Traded Funds which track an index with US treasury securities in the 0-1 year maturity range as its constituents

India's **1st** US Debt (ETF) Fund

NFO Period: 10th March to 23rd March 2023

★ Why US treasury for geographical diversification?



Core allocation

US is the world's largest economy, with the world's most dominant reserve currency



Relatively safer asset

US is an S&P AA+ / Fitch AAA rated country vs. India sovereign rated as BBB-



Attracting flows

With concerns emerging on global economic growth, a rise in risk-off sentiment is being witnessed, favoring US bonds over other economies' bonds and equities



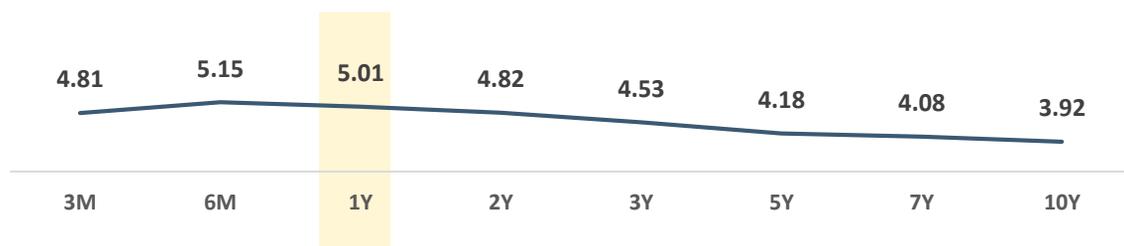
Opportune investment time

The rise in yields offer decent potential returns to investors

★ Why 0 to 1 year maturity US Treasury Fund now?

Inverted yield curve makes this segment a relatively attractive opportunity

US Treasury Yield Curve (%)



Source: Bloomberg, Data as on 28th February 2023. Past performance is not an indicator of future performance.

★ Key factors that can affect investment experience



Interest rate movement

Considering the average maturity and duration at 0.3 years, any potential increase or decrease in interest rates is expected to have minimal impact on the yield of the Underlying Fund.



Currency Movement

While in 9 out of the last 10 calendar years, INR has depreciation against the US dollar, any possible strengthening/ appreciation of the INR can negatively impact total returns from the Fund of Fund.



Why consider 0-1 year maturity US Treasury investment?

A defensive portfolio allocation to balance equity risk, or to reduce interest rate sensitivity

- ◆ **Liquid, low cost beta exposure** to short-dated dollar-denominated US government bonds
- ◆ **Build a US\$ asset** to meet **potential USD expenses / liabilities**
- ◆ Invest in the relatively **high-quality** US asset – Sovereign securities
- ◆ Benefit from the **relatively lower volatile short duration investment**
- ◆ Build **fixed income asset** in a dominant international **reserve currency**



Who should consider investing in Bandhan US Treasury Bond 0-1 year Fund of Fund?



Seeking to create USD asset

With limited duration sensitivity, intending to **create a USD asset** for funding a near term or defined expense without wanting to take any equity market linked volatility



Seeking global opportunity

Seeking to **capture the current high yield of the US treasury**, optimising the investment opportunity provided by the historic low levels of yield differential between the US and India sovereign bonds



Seeking to benefit from currency depreciation

Looking to **gain dual exposure** i.e., US treasury plus USD- INR currency movement. Any further depreciation in the INR is expected to enhance returns. However, any possible **strengthening/ appreciation of the INR can negatively impact total returns from the Fund of Fund**

Benchmark

ICE 0-1 Year US Treasury Securities Index

Fund Managers

Mr. Sreejith Balasubramanian (Overseas portion)
Mr. Brijesh Shah (Debt portion)

Exit Load

0.25% of applicable NAV - if the units are redeemed/switched out within 1 month from the date of allotment; Nil – if the units are redeemed / switched-out after 1 month from the date of allotment.

Minimum Application Amount

Rs. 1,000/- and in multiples of Re. 1/- thereafter

Underlying scheme[^]

JPMorgan ETFs (Ireland) ICAV - BetaBuilders US Treasury Bond 0-1 year UCITS ETF

[^]Bandhan US Treasury Bond 0-1 year Fund of Fund reserves the right to change the underlying fund as mentioned in the SID

Bandhan US Treasury Bond 0 - 1 year Fund of Fund

An open ended fund of fund scheme investing in units / shares of overseas Index Funds and / or Exchange Traded Funds which track an index with US treasury securities in the 0-1 year maturity range as its constituents

This product is suitable for investors who are seeking*:

- Create wealth over a long term
- Generate returns through investing in US treasury securities in the 0-1 year maturity range

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



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With effect from 13th March 2023, the name of "IDFC Mutual Fund" has changed to "Bandhan Mutual Fund" and the Scheme 'IDFC US Treasury Bond 0-1 year Fund of Fund' is renamed to 'Bandhan US Treasury Bond 0-1 year Fund of Fund'.

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