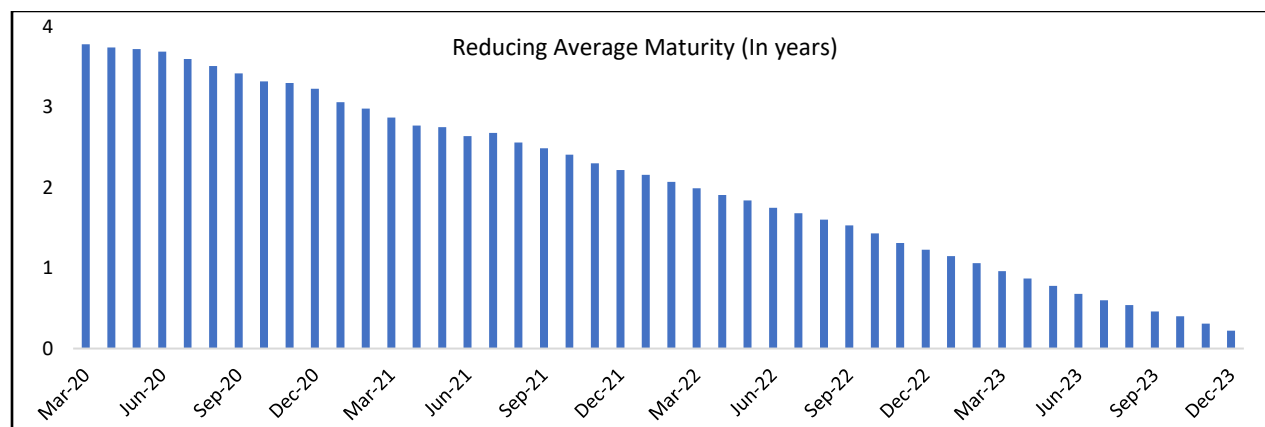


Bandhan Corporate Bond Fund – An update

Bandhan Corporate Bond is an open-ended debt scheme that focuses on delivering returns through investment predominantly in the corporate bond segment.

Early in 2020, the scheme initiated its ~4-year roll-down investment approach on a tactical basis. Currently, the scheme is in the last leg of roll-down. Therefore, the portfolio will be ready for a revised strategy in March 2024.



Source: Bandhan MF

The approach being followed is tactical and would be subject to change depending on the investment opportunities available.

The revised approach proposed is as follows:

1. **Portfolio's Average Maturity to be in the range of 1 to 4 years**
2. **No cap on the maturity for individual securities**
3. **Corporate Bond Fund will continue to be a predominantly high-quality AAA portfolio**

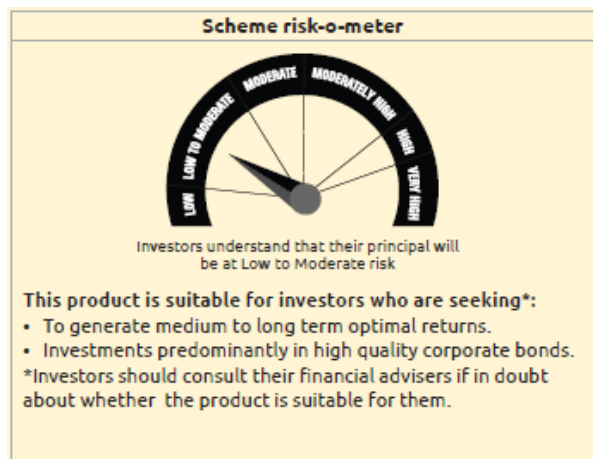
India's macro-economic dynamics have progressively strengthened with a well-behaved current account deficit, a proactive government stance towards supply side management of inflation, and an anticipated return towards fiscal consolidation. Alongside these, inflation targeting is institutionalized and governs the conduct of monetary policy. These factors are likely to significantly cut outlier interest rate volatility, even as cyclical movements in rates will obviously continue to persist.

The predominant objective of a roll down strategy might provide more certainty to investors who are willing to match their investment horizons to the approximate maturity of the portfolio of the fund. However, with lesser forecasted interest rate volatility owing to factors mentioned above, we believe the need for predictability may have to be increasingly weighted against the reinvestment risk that a passive roll down fund is exposed to as it gets closer to maturity.

In light of the above, the new proposed approach for the corporate bond fund entails an indicative portfolio average maturity band of 1 to 4 years. Thus the fund manager can proactively manage average maturity depending upon interest rate views but within a narrowly defined band. Thereby the fund will endeavor to balance the consideration of managing interest rate volatility while reducing the element of reinvestment risk for investors.

Bandhan Corporate Bond Fund

An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds with Relatively High Interest rate risk and Relatively Low Credit Risk



Potential Risk Class Matrix			
Credit Risk of the scheme →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk of the scheme ↓			
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		
A Scheme with Relatively High Interest Rate Risk and Relatively Low Credit Risk.			

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

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