

## Help your investment fly with the appropriate blend of Accrual and Duration management

### Invest in L&T Resurgent India Bond Fund

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An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years to 4 years (please refer to page no. 18 under the section "Asset Allocation Pattern" in the SID for details on Macaulay's Duration)#. A relatively high interest rate risk and moderate credit risk.

In the current environment, markets are debating if recent trends in inflation are permanent or transient, however durable revival in growth still remains the key objective. The support of the Central Bank has become quintessential in bridging the supply demand gap for Government borrowing, while yield curve control has become an integral tool in guiding markets forward. Although, the system continues to remain in abundant liquidity and any withdrawal is expected to be gradual, however medium-term normalization of rates is an inevitable theme over the next couple of years.

In this evolving backdrop, where interest rates are expected to move higher, a strategy which combines a prudent mix of strategic Duration calls and an Accrual product are well suited for investors with a (3 year +) horizon. A fund like L&T Resurgent India Bond Fund (RIBF) is well positioned in this segment.

### Why invest in L&T Resurgent India Bond Fund?

#### Accrual Strategy:

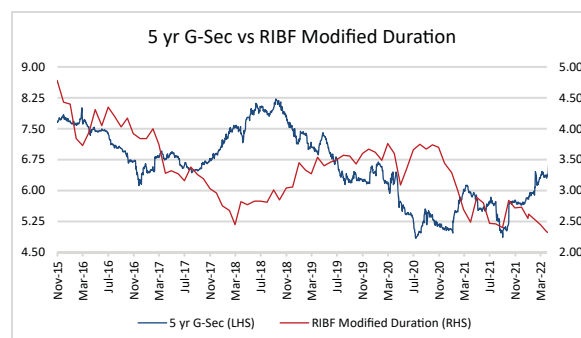
- » The Fund aims to maintain a portfolio yield that is relatively higher than vanilla AAA bond funds, without significantly diluting portfolio credit quality
- » Looks to deliver yield pick-up through judicious exposure to AAA and good quality AA securities
- » Higher accrual to potentially benefit from roll-down over next 2-3 years

#### Portfolio quality:

- » Currently, around 80-85% of portfolio exposure is to AAA papers, G-Sec and Cash
- » NIL exposure to AA- category and below
- » Latest rating action on 95% of the portfolio is stable/upward
- » Only exposure on the longer end in the AA space is to Tata Power Corporate Guarantee paper; rest all exposures in AA rated names in less than 2-year segment
- » Credit selection based on rigorous internal credit research process, detailed analysis of financial strength, liquidity, management track record and corporate governance

#### Strategic Duration Management:

- » The Fund reduced Macaulay Duration of the portfolio to below 3 years, to minimize risk in an environment of gradual upward movement in yields
- » Flexibility to increase Duration (high proportion of liquid names) once rates stabilize, thereby helping to potentially deliver robust risk adjusted performance over the medium to long term
- » Demonstrated ability to strategically manage Duration in periods of volatile interest rates



#### Alpha Generation:

- » The Fund strives to create alpha through identifying pockets of value positions, vis-à-vis steepness of yield curve, attractive carry opportunities, elevated credit spreads, etc.
- » Carry of 75-125 bps over plain vanilla AAA fund, driven by niche portfolio positioning
- » The Fund has adequate capability, given the high proportion of liquid names in the portfolio to opportunistically evaluate deals with good yield pick-up

#### Tax efficient

- » A combination of Duration and Accrual strategy in one product allowing investors to stay invested for over 3 years and aim to earn better post tax returns

## Fund Facts

### Fund Managers

**Mr. Shriram Ramanathan** (w.e.f Feb 02, 2015) and **Mr. Jalpan Shah** (w.e.f March 21, 2020)

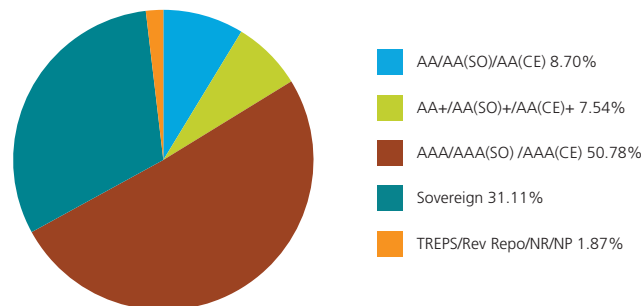
### Benchmark

NIFTY Medium Duration Debt Index B-III

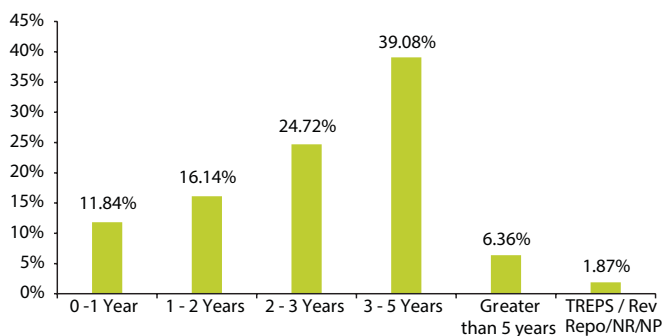
### Top 10 Holdings (As on May 31, 2022)

Security	Credit Rating	% of NAV
05.22% GOI 15-06-2025	SOVEREIGN	17.04%
05.63% GOI 12-04-2026	SOVEREIGN	13.38%
First Business Receivables Trust (Backed by receivables from Reliance Industries, Reliance Retail, Reliance Jio)	CRISIL AAA(SO)	7.35%
Embassy Office Parks REIT	CRISIL AAA	6.96%
ONGC Petro Additions Limited (Letter of comfort from Oil & Natural Gas Corporation Limited)	ICRA AAA (CE)	6.93%
NIIF Infrastructure Finance Limited	ICRA AAA	6.02%
Coastal Gujarat Power Limited (corporate guarantee of Tata Power Company Ltd)	CARE AA (CE)	4.53%
Oriental Nagpur Betul Highway Limited (Nhai Annuity Receivables)	CRISIL AAA	4.22%
Patel Knr Heavy Infrastructures Limited (Nhai Annuity Receivables)	CARE AA+	3.97%
IIFL Home Finance Limited	ICRA AA	3.73%

### Rating Profile (As on May 31, 2022)



### % Maturity Profile (As on May 31, 2022)



### Potential Risk Class (PRC) Matrix

Potential Risk Class			
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>B-III</b>	

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**L&T Financial Services**  
Mutual Fund

Source of Graph: Bloomberg

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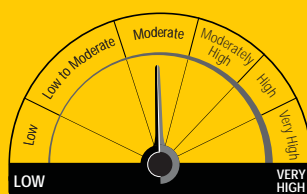
**This product is suitable for investors who are seeking\***

- Generation of income over medium term
- Investment primarily in debt and money market securities

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

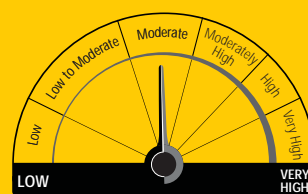
All data mentioned above is as on May 31, 2022, unless otherwise stated above.

#### Riskometer of the Scheme



Investors understand that their principal will be at moderate risk

#### Riskometer of the Benchmark



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