

Now add extra income to your investments



Baroda Pioneer Ultra Short Duration Fund

(An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration* of the portfolio is between 3 months and 6 months)

NFO Opens on : Thursday, May 24th, 2018 | NFO Closes on : Tuesday, May 29th, 2018

What is Ultra Short Duration Funds?

Ultra short duration funds are mutual funds that invest in a combination of very short term debt instruments including treasury bills, certificate of deposits, commercial papers and corporate bonds. As per the SEBI circular on product categorisation and rationalisation, ultra short duration funds can invest in debt instruments such that the Macaulay duration* of the portfolio is between 3 months and 6 months.

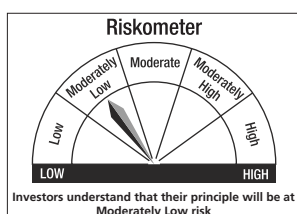
Ultra Short Duration Funds endeavour to offer good returns with very less market volatility and are suited for investors who are looking for better returns than Liquid Funds and prefer investing in fixed income funds with low duration. These funds are recommended for investment time horizon of 1 month to 3 months.

Why Ultra Short Duration Funds?

As the extent of the surge in yields has been higher than anticipation, the valuations seem attractive especially in the short tenor segment. RBI may look at increasing interest rates, however,

the same has been discounted by the markets & the key data to watch out for is inflation. Interest rate hikes affect long duration funds, however, the impact on the short duration funds is likely to be limited. Hence, this makes a good case of investing in short term funds with a lower maturity as they invest in lower maturity instruments.

- Keeping this in mind, we are launching a new fund – Baroda Pioneer Ultra Short Duration Fund, an open ended ultra short term debt scheme investing in instruments such that the Macaulay duration* of the portfolio is between 3 months and 6 months. The fund would actively trade in liquid money market papers to generate alpha in volatile short term interest rate scenario. The fund is being positioned between Liquid & Low Duration funds.
- The yield spreads would normally range higher than the liquid funds. The product is suitable for those investors having an investment horizon of 1 month – 3 months.



This product is suitable for investors who are seeking*:

- Reasonable returns with convenience of liquidity over ultra-short term.
- Investments in a basket of debt and money market instruments such that the Macaulay duration of the portfolio is between 3 months and 6 months.

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

BARODA PIONEER MUTUAL FUND



Investment Strategy & Positioning:

- The fund will be positioned between Liquid & Low Duration funds.
- The fund would endeavor to generate higher returns than the Liquid Fund, as it may carry a higher interest rate risk than a typical Liquid Fund but the volatility risk would be lower than a Low Duration Fund.
- The fund's portfolio yield is likely to be higher than that of a Liquid Fund as it may benefit from MTM gains due to trading in short term papers.
- The fund would endeavor to have lower credit risk with more than 80% allocation to AAA and A1+ or equivalent debt instruments.

Investment Allocation: Under normal circumstances, the broad investment pattern will be as under:

Type of Instrument	Indicative Allocation (% of total assets)		Risk Profile
	Maximum	Minimum	
Debt Instruments [^]	80	0	Low to Medium
Money Market Instruments	100	20	Low
REITs and InvITs	10	0	High

[^]The fund may invest upto 50% in securitized debt. No investment will be made in foreign securitized debt.

Exposure to fixed income derivatives will be restricted upto 50% of the net assets of the scheme. The fund may invest in foreign securities upto 25% of its net assets subject to the maximum of US\$ 300 million in the aggregate at the mutual fund level. The cumulative gross exposure of the fund in debt, money market instruments, REITs and InvITs and derivative positions shall not exceed 100% of the net assets of the fund.

About Baroda Pioneer Asset Management Company Ltd

Baroda Pioneer Asset Management Company Limited is a joint venture Bank of Baroda and Pioneer Global Asset Management S.p.A. ("Pioneer").

Baroda Pioneer Mutual Fund ("Mutual Fund") is positioned to serve the varied asset management needs of investors in India through a range of equity, debt and money market offerings. Since the formation of the joint venture in 2008, the Mutual Fund has been working relentlessly to create an operational and servicing platform suited to the needs of investors in India.

Effective November 1, 2017, Pioneer has been merged by way of incorporation, pursuant to Italian law, into its controlling company, UniCredit S.p.A. ("UniCredit"). As a consequence, starting from such date, any rights and obligations of Pioneer have been transferred to UniCredit by operation of law including, inter alia,

those relating to the ownership of 51% of the equity share capital of each of Baroda Pioneer Asset Management Company Ltd., investment manager to the Mutual Fund, and Baroda Pioneer Trustee Company Pvt. Ltd., trustee to the Mutual Fund.

Baroda Pioneer Ultra Short Duration Fund

Type of the Scheme: An open ended ultra-short term debt scheme investing in instruments such that the Macaulay duration* of the portfolio is between 3 months and 6 months

Investment Objective: To generate regular income by investing in a portfolio of debt and money market instruments such that the Macaulay duration* of the portfolio is between 3 months to 6 months.

Fund objective is :

- To earn returns in the form of interest income and capital gains, with a view on short-term interest rates.
- To actively trade on duration at the shorter end of the yield curve depending on prevailing interest rate scenario.
- To maintain the Macaulay duration* of the portfolio between 3 months to 6 months signifying low risk profile of the fund.

Plans & Options : Regular Plan and Direct Plan; Growth and Dividend (Daily/Weekly – Reinvestment) Options under both Plans

Minimum Application Amount:

Purchase: Rs. 5,000/- and in multiples of Re. 1/- thereafter per application during the NFO period.

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

Re-purchase : No minimum amount

Allotment: Wednesday, May 30th, 2018

Re-opening on: Thursday, May 31st, 2018

Fund Managers: Mr. Alok Sahoo & Ms. Hetal Shah

Benchmark: CRISIL Ultra Short Fund index

Loads: Entry Load - Not Applicable
Exit Load: Nil

NAV Face Value: INR 1,000/- per unit

*Macaulay duration is the weighted average term to maturity of the cash flows from an instrument. The weight of each cash flow is determined by dividing the present value of the cash flow by the price. Macaulay duration is a measure of interest rate sensitivity of a fixed income instrument. Higher the Macaulay duration, higher would be the interest rate risk.

Investors may refer to page no. 37 of the Scheme Information Document of the fund for further details.

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The Investment Team



Mr. Sanjay Chawla

Total Experience: 29 years

With Baroda Pioneer AMC since September 2013

Qualifications: Master in Management

Studies - BITS Pilani



Mr. Alok Sahoo, Head of Fixed Income

Total Experience: 17 years

With Baroda Pioneer AMC since December 2008

Qualifications: CFA, FRM, BE - NIT Rourkela & MBA -

Xavier's Institute of Management



Ms. Hetal Shah, Fund Manager (Debt)

Total Experience : 15 years

With Baroda Pioneer AMC since December 2006

Qualifications: MBA Finance & JAIIIB

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