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# MAHINDRA MANULIFE DYNAMIC BOND YOJANA

An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and moderate credit risk.

(Scheme Code : MMDBY)

**mahindra**  
Manulife

MUTUAL  
FUND

One Pager

October, 2022

## Aiming to **benefit** from interest rate movements

### WHO SHOULD INVEST?

- Investors seeking to invest in a bond fund positioned to benefit from volatility in the debt markets
- Investors seeking to do asset allocation across various asset classes
- Ideal for investors with moderate to high risk profile

### ASSET ALLOCATION & OTHER DETAILS

Under normal circumstances the asset allocation pattern will be:

Instruments	Indicative Allocation (%of net assets)		Risk Profile
	Minimum	Maximum	Low/Moderate/High
Debt* & Money Market instruments	0%	100%	Moderate
Units issued by REITs & InvITs	0%	10%	Moderately High

\* Includes securitized debt and debt instruments having structured obligations/credit enhancements (such as corporate / promoter guarantee, conditional and contingent liabilities, covenants, pledge and / or Non Disposal Undertaking of shares etc) upto 35% of the net assets of the Scheme.

**Benchmark:** CRISIL Dynamic Bond Fund BIII Index

**Entry Load:** N.A.

**Exit Load:** Nil

### KEY MARKET INDICATORS

Parameters	31-Oct-2022	30-Sep-2022	31-Oct-2021
RBI Repo Rate %	5.90	5.90	4.00
5Y AAA PSU %	7.40	7.34	5.99
1 year CD %	7.50	7.05	4.31
10Y Gsec %	7.45	7.40	6.39
CPI (%)	7.41	7.00	4.48
IIP (YoY) %	-0.83	2.36	4.17
US 10Y %	4.05	3.83	1.55
Dollar Rupee	82.79	81.35	74.88

Source: Bloomberg; as on date October 31st, 2022

### SCHEME POSITIONING

Mahindra Manulife Dynamic Bond Yojana endeavours to take advantage of interest rate movements. With the flexibility to counter a dynamic environment, the Scheme aims to generate regular returns and capital appreciation through active management of portfolio in line with the evolving interest rate scenario.

### MARKET OUTLOOK

The domestic debt market continued to witness a schism in the yield curve. The money market yields moved up by close to 40-50 basis points (bps) while the benchmark 10 years Gilt rates remained largely stable and moved up by around 5 bps. A tight systemic liquidity coupled with supply from the banking segment in issuing Certificate of Deposits (CDs) to fund the strong credit growth led to a sharp rise in the short-term rates. The credit yields curve for AAA rated issuers has largely become flat now with the 1, 3 and 10 years, rates largely the same now.

As minutes of the MPC meeting held on September 30th were put out for in the public domain, we saw two external members opining for a wait and watch policy to see the lag effects on the economy of the monetary policy measures.

The US rates continued its upward trend and the yield curve from the 3 months treasury to the 10 years treasury flattened marking potential recessionary economic growth in the near future. The home prices in the US have started stagnating / marginally falling and this trend would be actively monitored. The US Fed meets in the first week of November and would be an interesting watch.

Data as on 31 October, 2022 | Data source: Bloomberg

**Note:** The data/statistics given above are to explain general market trends in the securities market, it should not be construed as any research report/research recommendation.

### FUND MANAGER : MR. RAHUL PAL

**Total Experience :** 21 years

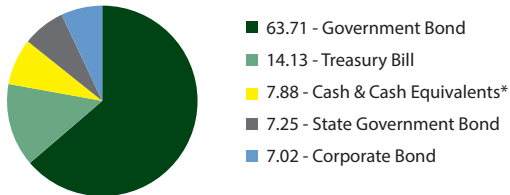
**Experience in managing this fund:** 4 years 3 months (managing since August 20, 2018)

**PORTFOLIO STATISTICS**

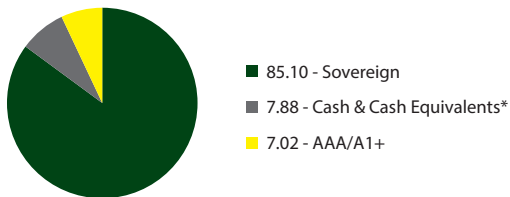
CURRENT MONTH OCTOBER 31, 2022		PREVIOUS MONTH SEPTEMBER 30, 2022	
AUM (Rs. In Crore)	68.69	AUM (Rs. In Crore)	75.56
Monthly AAUM (Rs. In Crore)	72.59	Monthly AAUM (Rs. In Crore)	72.64
Avg. Maturity (Years)	4.32	Avg. Maturity (Years)	4.05
Modified Duration	3.38	Modified Duration	3.19
Macaulay Duration (Years)	3.51	Macaulay Duration (Years)	3.31
YTM (%)	7.23%	YTM (%)	7.07%

YTM : Yield to maturity should not be construed as minimum return offered by the Scheme.

**ASSET ALLOCATION (% to NET ASSETS)**



**RATING PROFILE (% to NET ASSETS)**



\*Cash & Cash Equivalents includes Fixed Deposits, Cash & Current Assets and TREPS

**PORTFOLIO UPDATE FOR THE MONTH**

- The YTM of the portfolio is around 7.23%.
- The Modified Duration of the portfolio (MD) increased to around 3.38 years
- The Portfolio largely derives its duration from Gilts as we believe that the AAA credit spreads may expand as we move ahead

**TOP 10 DEBT HOLDINGS**

CURRENT MONTH OCTOBER 31, 2022		PREVIOUS MONTH SEPTEMBER 30, 2022	
Security	% to N.A.	Security	% to N.A.
5.74% GOI (MD 15/11/2026) (SOV)	20.64%	5.74% GOI (MD 15/11/2026) (SOV)	18.79%
7.38% GOI (MD 20/06/2027) (SOV)	18.18%	7.38% GOI (MD 20/06/2027) (SOV)	16.59%
7.26% GOI (MD 22/08/2032) (SOV)	17.95%	7.26% GOI (MD 22/08/2032) (SOV)	16.40%
7.39% Maharashtra SDL (MD 09/11/2026) (SOV)	7.25%	364 Days Tbill (MD 24/08/2023) (SOV)	12.49%
Housing Development Finance Corporation Limited (CRISIL AAA rated CB)	7.02%	7.39% Maharashtra SDL (MD 09/11/2026) (SOV)	6.61%
5.22% GOI (MD 15/06/2025) (SOV)	6.94%	Housing Development Finance Corporation Limited (CRISIL AAA rated CB)	6.39%
364 Days Tbill (MD 24/08/2023) (SOV)	6.89%	5.22% GOI (MD 15/06/2025) (SOV)	6.31%
364 Days Tbill (MD 31/08/2023) (SOV)	6.88%	364 Days Tbill (MD 31/08/2023) (SOV)	6.24%
91 Days Tbill (MD 12/01/2023) (SOV)	0.36%	364 Days Tbill (MD 13/10/2022) (SOV)	5.29%
<b>TOTAL</b>	<b>92%</b>	91 Days Tbill (MD 20/10/2022) (SOV)	0.33%
		<b>TOTAL</b>	<b>95%</b>

**SIGNIFICANT PORTFOLIO CHANGES OF THE CURRENT MONTH**

FRESH ADDITIONS	COMPLETE EXITS
Security	Security
91 Days Tbill (MD 12/01/2023) (SOV)	364 Days Tbill (MD 13/10/2022) (SOV)
	91 Days Tbill (MD 20/10/2022) (SOV)

CP - Commercial Paper, CD - Certificate of Deposit, CB - Corporate Bond, SOV - Sovereign

**Note:** The companies/stock(s) referred above are only for the purpose of disclosure of significant portfolio changes during the month and should not be construed as recommendation to buy/sell/ hold. The fund manager may or may not choose to hold these companies/stocks, from time to time. Investors are requested to consult their financial, tax and other advisors before taking any investment decision(s).

**EASY SYSTEMATIC PLANS**

**SYSTEMATIC INVESTMENT PLAN**

**WITH THIS YOU CAN**

- Build corpus in the long term
- Take advantage of rupee cost averaging
- Experience the power of compounding even on small investments

**CHOICE OF FREQUENCIES**

- Weekly • Monthly • Quarterly

**CHOICE OF DATES**

Any date of your choice

**MINIMUM AMOUNTS / INSTALMENTS**

- 6 instalments of ₹ 500 each under weekly frequency
- 6 instalments of ₹ 500 each under monthly frequency
- 4 instalments of ₹ 1500 each under quarterly frequency

**SYSTEMATIC TRANSFER PLAN**

**WITH THIS YOU CAN**

- Take measured exposure into a new asset class
- Rebalance your portfolio

**CHOICE OF FREQUENCIES**

- Daily • Weekly • Monthly • Quarterly

**CHOICE OF DATES**

Any date<sup>^</sup> of your choice

**MINIMUM AMOUNTS / INSTALMENTS**

- 6 instalments of ₹500 each under daily, weekly and monthly frequency
- 4 instalments of ₹1500 each under quarterly frequency

**SYSTEMATIC WITHDRAWAL PLAN**

**WITH THIS YOU CAN**

- Meet regular expenses

**CHOICE OF FREQUENCIES**

- Monthly • Quarterly • Half-Yearly & Annual

**CHOICE OF DATES**

Any date of your choice

**MINIMUM AMOUNTS / INSTALMENTS**

- 2 instalments of ₹ 500 each under monthly / quarterly / Half-Yearly & Annual frequency

<sup>^</sup>STP can be registered for any date under the monthly and quarterly frequencies and for any business day under the weekly frequency.

## Scheme Performance (as on October 31, 2022)

### Mahindra Manulife Dynamic Bond Yojana

Managed by Rahul Pal	CAGR Returns (%)			Value of Investment of ₹ 10,000*			NAV / Index Value (as on October 31, 2022)
	1 Year	3 Years	Since Inception	1 Year (₹)	3 Years (₹)	Since Inception (₹)	
<b>Regular Plan - Growth Option</b>	-0.21	2.80	4.01	9,979	10,864	11,796	11.80
CRISIL Dynamic Bond Fund BIII Index <sup>^</sup>	2.53	7.62	8.05	10,255	12,466	13,845	5,456.88
CRISIL 10 Yr Gilt Index <sup>^^</sup>	-0.96	3.10	5.96	9,904	10,961	12,752	4,037.47

<sup>^</sup>Benchmark <sup>^^</sup>Additional Benchmark. CAGR – Compounded Annual Growth Rate. Inception/Allotment date: 20-Aug-18.

Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Since inception returns of the scheme is calculated on face value of Rs. 10 invested at inception. The performance details provided above are of Growth Option under Regular Plan. Different Plans i.e Regular Plan and Direct Plan under the scheme has different expense structure. \*Based on standard investment of Rs. 10,000 made at the beginning of the relevant period.

### Performance of other schemes managed by the Fund Manager(s) (as on October 31, 2022)

Scheme Name	Scheme Inception Date	Fund Manager(s)	Managing since	CAGR Returns (%)		
				1 yr	3 yrs	5 yrs
<b>Mahindra Manulife Equity Savings Dhan Sanchay Yojana - Reg - Growth</b>	01-Feb-17	Mr. Manish Lodha (Equity Portion)	21-Dec-20	1.20	11.06	7.61
		Ms. Fatema Pacha (Equity Portion)	16-Oct-20			
		Mr. Rahul Pal (Debt Portion)	Since inception			
Nifty Equity Savings Index TRI <sup>^</sup>				3.69	9.39	8.65
<b>Mahindra Manulife Hybrid Equity Nivesh Yojana - Reg - Growth</b>	19-July-19	Ms. Fatema Pacha (Equity Portion)	16-Oct-20	3.35	16.91	-
		Mr. Manish Lodha (Equity Portion)	21-Dec-20			
		Mr. Rahul Pal (Debt Portion)	Since inception			
CRISIL Hybrid 35+65 Aggressive Index <sup>^</sup>				3.48	14.27	-
<b>Mahindra Manulife Liquid Fund - Reg - Growth</b>	04-Jul-16	Mr Rahul Pal	Since inception	4.35	4.08	5.29
		Mr. Amit Garg	08-Jun-20			
CRISIL Liquid Fund BI Index <sup>^</sup>				4.61	4.34	5.39
<b>Mahindra Manulife Low Duration Fund - Reg - Growth</b>	15-Feb-17	Mr Rahul Pal	Since inception	3.17	4.34	5.44
		Mr. Amit Garg	08-Jun-20			
CRISIL Low Duration Fund BI Index <sup>^</sup>				4.51	5.23	6.19
<b>Mahindra Manulife Ultra Short Term Fund- Reg - Growth</b>	17-Oct-19	Mr Rahul Pal	Since inception	3.84	4.49	-
		Mr. Amit Garg	08-Jun-20			
CRISIL Ultra Short Duration Fund BI Index <sup>^</sup>				4.80	5.10	-
<b>Mahindra Manulife Overnight Fund - Reg - Growth</b>	23-Jul-19	Mr Rahul Pal	Since inception	4.18	3.61	-
		Mr. Amit Garg	08-Jun-20			
CRISIL Overnight Fund AI Index <sup>^</sup>				4.33	3.76	-
<b>Mahindra Manulife Arbitrage Yojana - Reg - Growth</b>	24-Aug-20	Mr. Abhinav Khandelwal (Equity Portion)	1-Apr-22	2.77	-	-
		Mr. Manish Lodha (Equity Portion)	21-Dec-20			
		Mr. Rahul Pal (Debt Portion)	Since inception			
Nifty 50 Arbitrage Index <sup>^</sup>				3.82	-	-
<b>Mahindra Manulife Short Term Fund- Reg - Growth</b>	23-Feb-21	Mr. Rahul Pal	Since inception	2.12	-	-
		Mr. Kush Sonigara				
CRISIL Short Duration Fund BII Index <sup>^</sup>				3.54	-	-

<sup>^</sup>Benchmark CAGR – Compounded Annual Growth Rate. Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments.

The performance details provided above are of Growth Option under Regular Plan. Different Plans i.e Regular Plan and Direct Plan under the scheme has different expense structure. Mr. Rahul Pal manages 10 schemes of Mahindra Manulife Mutual Fund. The performance data for the schemes which have not completed one year has not been provided.

### Potential Risk Class Matrix for Debt scheme(s) of the fund

Pursuant to SEBI circular no. SEBI/HO/IMD/IMD-II DOF3/P/CIR/2021/573 dated June 07, 2021 Potential Risk Class ('PRC')

Matrix for debt schemes based on Interest Rate Risk and Credit Risk is as follows:

Potential Risk Class Matrix (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	

Scheme Name	This Product is Suitable for investors who are seeking*	Scheme Riskometer	Scheme Benchmark	Benchmark Riskometer
<b>Mahindra Manulife Dynamic Bond Yojana</b>	<ul style="list-style-type: none"> <li>To generate regular returns and capital appreciation through active management of portfolio.</li> <li>Investments in debt &amp; money market instruments across duration.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p><b>RISKOMETER</b> Investors understand that their principal will be at moderate risk</p>	<b>CRISIL Dynamic Bond Fund BIII Index</b>	<p><b>RISKOMETER</b></p>

**Disclaimer:** Readers of this material should rely on information / data arising out of their own investigations and advised to seek independent professional advice and arrive at an informed decision before making any investments. Neither Mahindra Manulife Investment Management Private Limited nor Mahindra Manulife Trustee Private Limited, its directors or associates shall be liable for any damages that may arise from the use of the information contained herein.

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