




**IDBI BANKING & FINANCIAL SERVICES FUND**  
 (An open-ended equity scheme investing in Banking & Financial Services Sector)

# A FUND THAT KEEPS A PULSE ON BANKING AND ALLIED SECTORS

IDBI Banking & Financial Services Fund is an open ended equity scheme investing primarily in Banking and Financial Services Sector. This sectoral, diversified scheme seeks to achieve long term capital growth.

## Current Banking & Financial Services Sector Outlook

The Banking and Financial Services Sector has gone through a lot of ups and downs in the recent past owing to regulatory and NPA issues. However, all the steps that has been taken by RBI starting from AQR (Asset Quality Review), stricter provisioning norms, bringing in force the NCLT etc. has resulted in more transparency in the sector - especially in the PSU Banking space which we believe will go a long way in improving the health of this sector. Going ahead, considering the fact that India is highly under-penetrated in Banking and the Government with schemes like Jan Dhan Yojana has been trying to increase penetration along with expected uptick in the Indian economy, we remain positive on the Banking sector. Other segments in the financial sector like NBFC, HFC, micro-finance companies, insurance companies, broking firms, AMCs, SFBs, etc. which are also highly under-penetrated are also reaping the benefits of increasing 'Financialization of Savings'.

## Why to invest in Banking and Financial Services Sector?

- Strong GDP growth is backed by robust credit growth-** Sectors which are likely to drive strong economic growth require significant financing from the Banking Sector.
- Reflection of Indian Economy-** Every aspect of the economy is influenced by Banking and Financial Services Sector. If economy improves, the Banking and Financial Sector will also performs well. This sector tends to represent India's growing economy.
- Increase in working population & growth in disposable income-** this result in increased demand for Banking & related services.
- Change in Focus from "Savings" to "Investment"-** Sale of mutual funds and insurance products are now catching up with traditional products like fixed deposits. Non-lending businesses like Capital Markets, Investment Banking, Wealth & Asset Management, and Insurance have started gaining traction and leading to growth.
- Growth in Corporate Credit-** Expenditure for capacity expansion incurred by companies leads to large increase in corporate credits.

- Financial inclusion-** Which is policy priority, will ensure that the Banking and Financial Services reaches every corner, including the farthest corner of the country.
- Expansion-** Considerable broadening and deepening of Indian financial markets due to the reforms. RBI is considering of providing additional banking licenses to private players and NBFCs.

## Who should invest in this Scheme?

- Investors who believe in the importance of the Banking & Financial Services Sector.
- Investors who are looking for the opportunities in Banking & Financial Services Sector in India
- Investors comfortable with the higher risk profile offered by Equity Investments.
- Investors who wish to complement their core portfolio holdings.

## Various Industries covered under "Financial Services"

The classification of financial services sector companies will be largely guided by the AMFI sector classification. The indicative list of companies/industries under financial services sector includes:

- Banks
- Non-Banking Finance Companies (NBFC)
- Housing Finance Companies
- Micro Finance Companies
- Stock Broking & Allied Companies
- Wealth Management Companies
- Asset Reconstruction Companies
- Rating Agencies
- Asset Management Companies
- Depositories
- Insurance Companies
- Stock/ Commodities Exchange and other market Intermediaries
- Corporations, Companies and other body corporates in which the Government is having financial or controlling interest
- Any other company which primarily derive its revenue from financial services

**Investment Strategy:** The scheme will invest in Banks as well as Non-Banking Financial Services Companies (NBFCs), Rating agencies, Insurance companies, Banks as well as Non-banking Financial Services companies, Insurance companies, Rating agencies, Broking companies, Microfinance companies, Housing Finance, Wealth Management, Stock/ commodities exchange, among others.

The portfolio manager will adopt an active management style to optimize returns. This will primarily include bottom up analysis of companies in the industry, to actively identify superior investments. The stocks will be selected after rigorous fundamental research which includes parameters like business outlook, management quality and track record, competitive positioning and strong financial metrics.

**Asset allocation:** The asset allocation pattern for the scheme under normal circumstances is detailed in the table below

Instrument	(% of total assets)		Risk Profile
	Minimum	Maximum	
Equity & Equity related instruments of companies engaged in Banking & Financial Services Sector	80%	100%	High
Equity and Equity related instruments of other than Banking & Financial Services Sector Companies	0%	20%	High
Debt and Money Market instruments	0%	20%	Low to Medium
Units issued by Real Estate Investment Trusts (REITs) & Infrastructure Investment Trusts (InvITs)	0%	10%	Medium to High

For more details about asset allocation, Please refer to the Scheme Information Documents

## Scheme Features



### Type of Scheme

An open ended equity scheme investing in Banking & Financial Services Sector.



### Category of The Scheme

Sectoral Fund

### Investment Objective

The objective of the scheme is to provide investors maximum growth opportunities and to achieve long term capital appreciation by predominantly investing in equity and equity related instruments of companies engaged in Banking and Financial Services Sector. However there can be no assurance that the investment objective under the scheme will be realized.



### Benchmark

NIFTY Financial Services - TRI



### Fund Manager

Mr. Alok Ranjan

### Load

**Entry Load** - Not Applicable

**Exit Load** - 1% for exit within 12 months from the date of allotment



### Plans

Regular Plan & Direct Plan



### Options

Growth and IDCW option (payout/reinvestment/sweep)



### Minimum Application Amount (Rs.)

Minimum Rs.5,000/- and in multiples of Re.1/- thereafter



### Additional Application Amount (Rs.)

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

### Systematic Investment Plan (SIP)



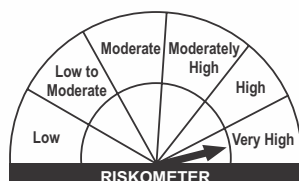
**Monthly option** - Minimum Rs.500/- per month for a minimum period of 12 months or Minimum Rs.1,000/- per month for a minimum period of 6 months.

**Quarterly option** - Minimum Rs.1,500/- per quarter for a minimum period of 4 quarters. Investments above the minimum amount shall be made in multiples of Re.1/-

### Product Label

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

- Long term capital growth.
- Investment predominantly in equity and equity related instruments of companies engaged in Banking & Financial Services Sector.



Investors understand that their principal will be at Very High Risk

NIFTY Financial Services - TRI



Benchmark Riskometer is at Very High Risk

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

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IDBI Asset Management Limited (Investment Manager to IDBI Mutual Fund)

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