






# Edelweiss NIFTY PSU Bond PLUS SDL Index Fund - 2027

Invest in quality **PSU** and **State Government Bonds**  
of **India**

 Higher Safety  No Lock-In  Lower Tax



## A target maturity index fund

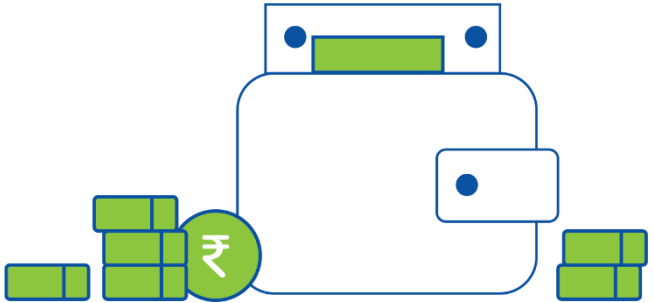
NFO Period – 30<sup>th</sup> September to 11<sup>th</sup> October 2021



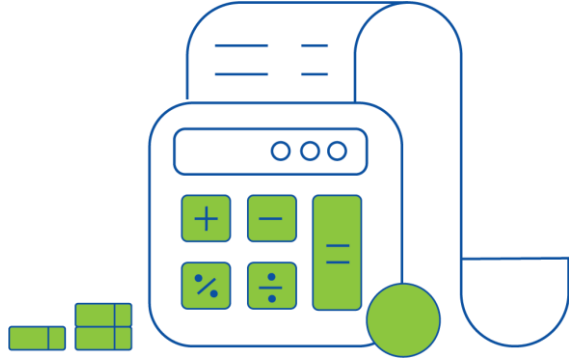
# What do you expect from your investment?



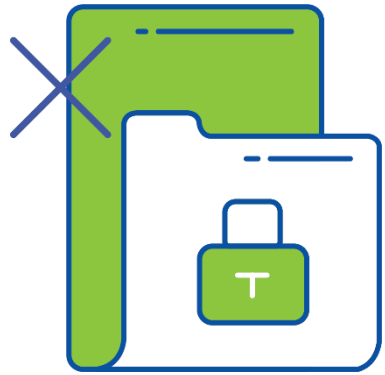
**Higher Safety**



**Relatively Stable Returns**

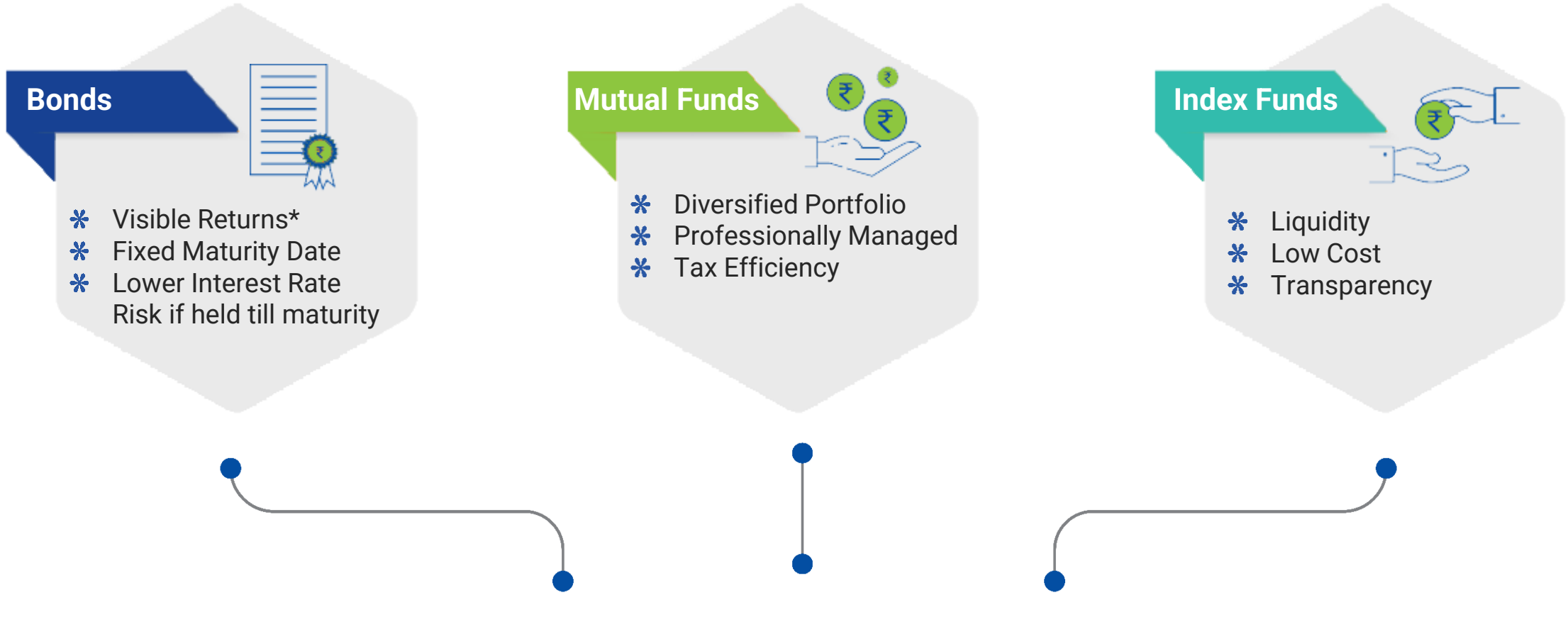


**Lower Tax**



**No Lock-in**

# Get the best of all worlds



## Edelweiss Nifty PSU Bond Plus SDL Index Fund - 2027

\*Please note that the scheme is neither capital protected nor guaranteed return product

# Invest in PSU Bonds & State Government Securities



**INDIAN  
RAILWAY  
FINANCE  
CORPORATION**  
*(A Government of India Enterprise)*



**With Edelweiss Nifty PSU Bond Plus SDL Index Fund - 2027  
Invest in PSU Bonds and SDLs with just Rs.5,000/-**

# Edelweiss Nifty PSU Bond Plus SDL Index Fund – 2027

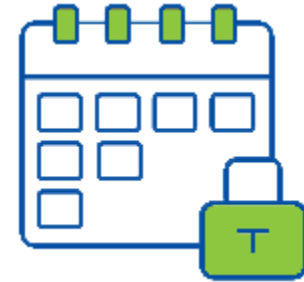


## **PSU and State Development Loans (SDL)**

An Index Fund which will invest your money in PSU Bonds and SDLs.

## **Defined Maturity**

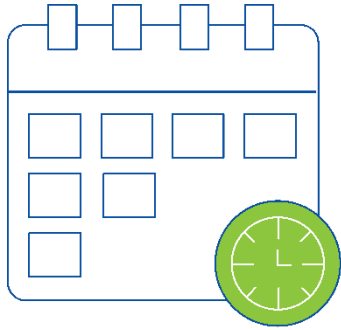
The Fund will have a defined maturity date and at maturity you will get back your investment proceeds.



## **Index Fund**

A passively managed Index Fund which you can buy and sell any time through the AMC during the tenure of the fund.

# Investment Strategy



The Index Fund will have a fixed maturity period having a diversified portfolio of PSU Bonds and SDLs.

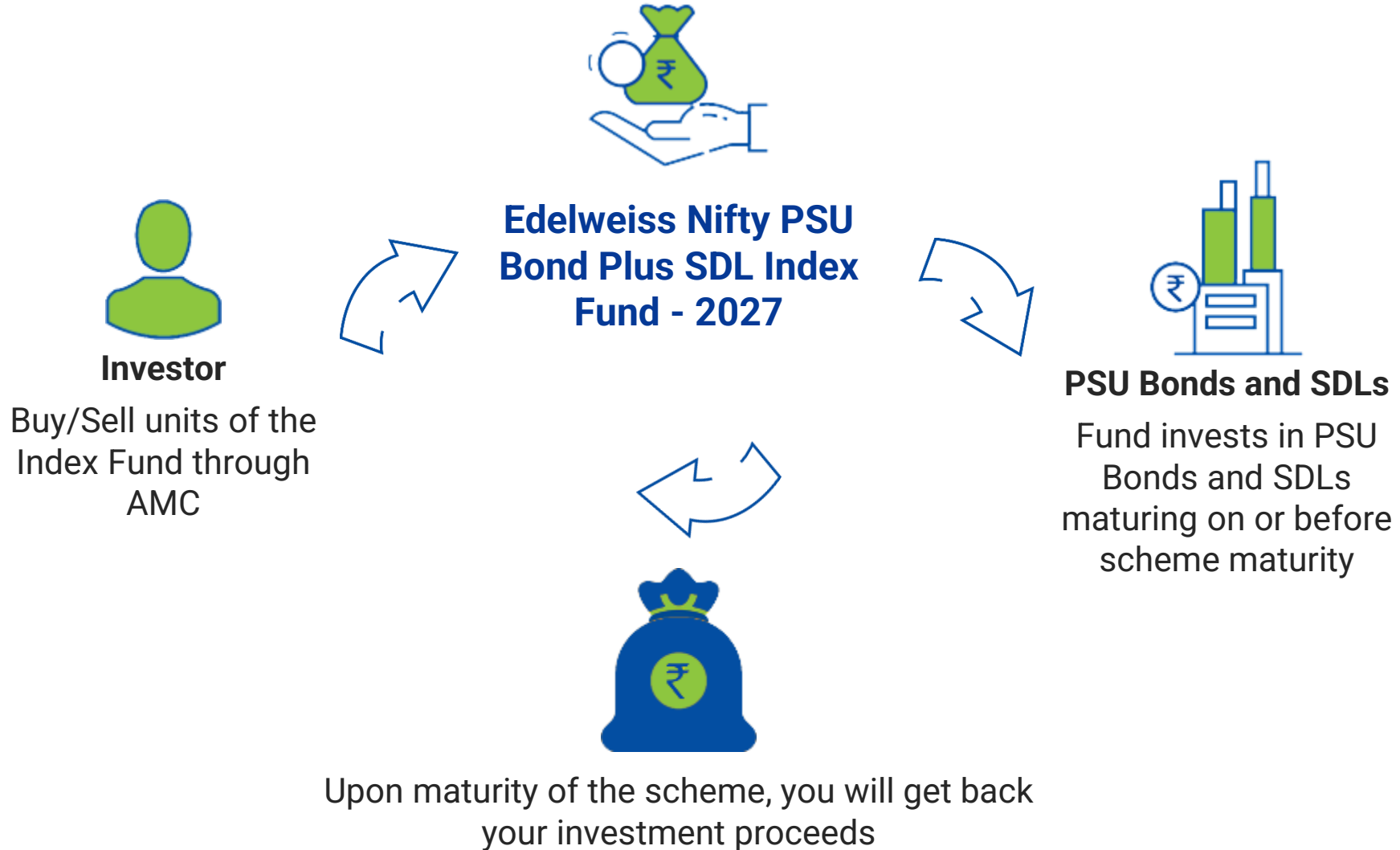
It will seek to track investment results of the Nifty PSU Bond Plus SDL April 2027 50:50 Index.



It will invest in a mix of AAA rated PSU Bonds and SDLs maturing on or before the maturity date of the fund

It will endeavor to hold bonds till their maturity with an aim to provide stable and predictable returns.

# How it works?

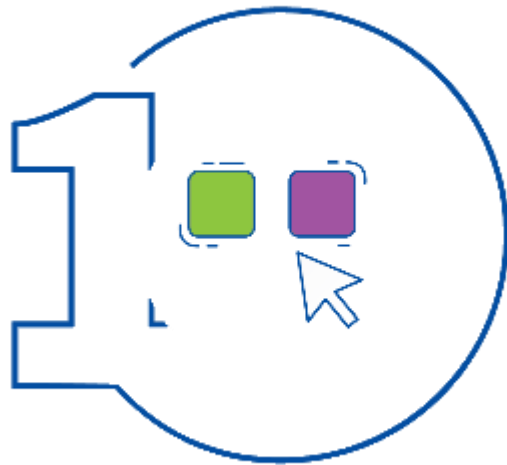


# Index methodology



- \* The Index Fund will invest in PSU Bonds and SDLs that meet the eligibility criteria of the Index
- \* Index will have similar maturity as that of the Fund i.e., 30<sup>th</sup> April 2027.

## Index will select bonds in a transparent manner through a 3-step process



### Selection

- \* 50% AAA rated bonds issued by PSU and 50% SDLs
- \* One ISIN of each PSU issuer selected based on liquidity score.
- \* Most recently issued 10 SDLs by top 10 states/UTs selected based on their outstanding amount
- \* Both PSU Bonds and SDLs should mature within 6 months prior to the maturity of Index



### Weight Assignment

- \* Each issuer that is part of the PSU Bonds portion is given equal weight as of the base date of the index.
- \* Each state that is part of the SDL component is given equal weight as of the base date of the index.



### Rebalancing

- \* Quarterly Rebalancing and review of Index constituents
- \* In the event of a downgrade below AAA, an existing issuer will be promptly excluded from the index.

**Liquidity score** is calculated by allocating 80% weight to aggregate trading value, 10% weights to number of days traded and 10% to number of trades of the bond during the six months period.



# Why should you invest?



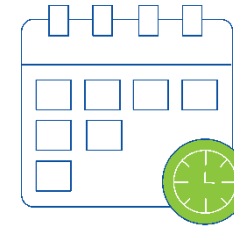
## Stability & Visibility\*

A bond like structure with fixed maturity provides visibility and stable returns at maturity



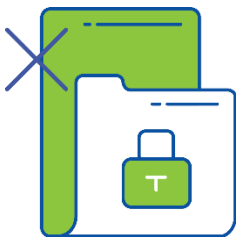
## High Safety

Investment in diversified basket of AAA PSU Bonds and SDLs



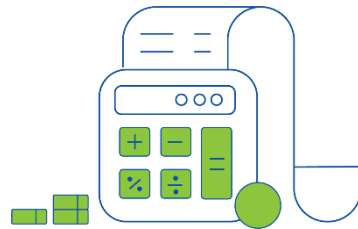
## Transparency

The fund will invest only in constituents that are eligible as per the index methodology



## No Lock-in

Buy/Sell any time or through AMC



## Lower Tax

Tax efficient compared to traditional investment avenues. Taxed at only 20% post indexation\*



## Low Cost

Since this is a passively managed fund the expense will be relatively low

# Feature Comparison to other Investment Avenues



Features	Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2027	Open-ended Debt Mutual Funds	Term Deposits	Individual Bonds	Tax Free Bonds	Small Savings Scheme
<b>Visibility* of Returns</b>	✓		✓	✓	✓	✓
<b>Liquidity</b>	✓	✓				
<b>Defined Maturity</b>	✓		✓	✓	✓	✓
<b>Tax Efficiency - Indexation</b>	✓	✓				
<b>Ease of Access as an Investment Tool</b>	✓	✓	✓		✓	✓
<b>Diversification</b>	✓	✓				

\*Please note that the scheme is neither capital protected nor guaranteed return product

# Indexation Benefit - Illustration



	Traditional Investment	Edelweiss Nifty PSU Bond Plus SDL Index Fund - 2027
Investment Amount	<b>Rs. 1 Lakh</b>	<b>Rs. 1 Lakh</b>
Assumed Rate of Return	5.40%	6.18%
Indexation**	NA	6
Value on Maturity	133,881	139,471
Indexed Cost	NA	126,532
Taxable Amount	33,881	12,939
Applicable Tax*	10,571	2,702
Post Tax Value	123,310	136,769
<b>Net Post Tax Return</b>	<b>3.85%</b>	<b>5.81%</b>

- \* Indexation is an efficient way to reduce tax on your returns by adjusting it for inflation.
- \* Indexation allows you to adjust purchase price of your investment with inflation.
- \* It is applied to long term returns on your investments
- \* Higher inflation means higher purchase price, which means lower tax
- \* Long term capital gains are taxed at 20% post Indexation in debt mutual funds

- Assumed Tenure for Traditional Investment and PSU Bond Plus SDL Index Fund (6 Indexation )
- \*\*Assumed Rate of Inflation is 4%.
- \* Traditional Investment taxed at 30% + 4% Cess and PSU Bond Plus SDL Index Fund taxed at 20% post indexation + 4% cess,
- Assumed rate of return for traditional investment taken as SBI Fixed Deposit rates for amount below Rs. 2 cr. as on Aug 31, 2021
- Above is only for illustration purposes, Assuming allotment date of 14<sup>th</sup> October 2021 as the start date for the above. Please consult your TAX Advisor before making any investment

# NIFTY PSU Bond Plus SDL Apr 2027 50:50 - Index Constituents



NIFTY PSU Bond Plus SDL Apr 2027 50:50 Index				
Sr. no.	Issuer	Credit Rating	Maturity Date	Weight
1	INDIAN RAILWAY FINANCE CORPORATION LIMITED	AAA	21-Mar-27	5.56%
2	POWER GRID CORPORATION OF INDIA LIMITED	AAA	09-Mar-27	5.56%
3	INLAND WATERWAYS AUTHORITY OF INDIA	AAA	03-Mar-27	5.56%
4	POWER FINANCE CORPORATION LIMITED	AAA	20-Feb-27	5.56%
5	NHPC LIMITED	AAA	12-Feb-27	5.56%
6	EXPORT-IMPORT BANK OF INDIA	AAA	01-Feb-27	5.56%
7	NTPC LIMITED	AAA	25-Jan-27	5.56%
8	NUCLEAR POWER CORPORATION OF INDIA LIMITED	AAA	23-Jan-27	5.56%
9	REC LIMITED	AAA	07-Nov-26	5.56%
10	UTTAR PRADESH GOVERNMENT	SOV	26-Apr-27	5.00%
11	ANDHRA PRADESH GOVERNMENT	SOV	22-Apr-27	5.00%
12	TAMIL NADU GOVERNMENT	SOV	31-Mar-27	5.00%
13	GUJARAT GOVERNMENT	SOV	31-Mar-27	5.00%
14	KARNATAKA GOVERNMENT	SOV	29-Mar-27	5.00%
15	WEST BENGAL GOVERNMENT	SOV	29-Mar-27	5.00%
16	HARYANA GOVERNMENT	SOV	29-Mar-27	5.00%
17	KERALA GOVERNMENT	SOV	24-Mar-27	5.00%
18	BIHAR GOVERNMENT	SOV	15-Mar-27	5.00%
19	RAJASTHAN GOVERNMENT	SOV	03-Feb-27	5.00%
Grand Total				100.00%

Mod Duration 4.35 yrs.

Index YTM: 6.18%\*

\*The indicative yield provided is of the Index and not that of the Scheme. The Scheme (s) are neither Capital Protected nor guaranteed Return Product and may or may not generate return in line with Index. Indicative Yield of the Index is 6.18% as on 15<sup>th</sup> September 2021

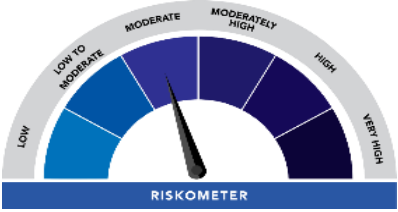
# Fund Features



<b>Scheme</b>	Edelweiss Nifty PSU Bond Plus SDL Index Fund – 2027
<b>Investment Objective</b>	To track the NIFTY PSU Bond Plus SDL Apr 2027 50:50 Index by investing in AAA rated PSU Bonds and SDLs, maturing on or before April 2027, subject to tracking errors.
<b>NFO Period</b>	30 <sup>th</sup> September to 11 <sup>th</sup> October, 2021
<b>Underlying Index</b>	NIFTY PSU Bond Plus SDL Apr 2027 50:50 Index
<b>Fund Manager</b>	Mr. Dhawal Dalal
<b>Co – Fund Manager</b>	Mr. Gautam Kaul
<b>Exit Load</b>	Up to 30 days – 0.15% After 30 days - NIL
<b>Minimum Investment Amount (NFO Period)</b>	Rs. 5,000/- and in multiples of Rs. 1/- thereafter

# Riskometer & Disclaimer



<p>The product is suitable for investors who are seeking</p>	<p><b>Riskometer</b></p>
<ul style="list-style-type: none"> <li>Income over long term</li> <li>An open-ended Target Maturity Index Fund that seeks to track NIFTY PSU Bond Plus SDL Apr 2027 50:50 Index</li> </ul>	
<p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them</p>	<p>Investors understand that their principal will be at Moderate risk</p>

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