Bank of India Mutual Fund

Bank of India Money Market Fund

(An open-ended debt scheme investing in money market instruments. A relatively low-interest rate risk and moderate credit risk)

Understanding Money Market Funds

- Money Market funds are a type of **open-ended debt funds** that invest in **high-quality money market instruments** issued by government, corporation and financial institutions

- They aim to provide **investors** with an investment option which is **highly liquid in nature** along **with returns on investments.**

Features

Where does the fund invest?	High quality debt and money market instruments with high liquidity (tenure of underlying securities up to 1 year)
What is the objective of the fund?	The investment objective is to generate returns with reasonable liquidity to the unitholders by investing in money market instruments
What is the purpose of the fund for an investor?	To provide a liquid investment option along with return generating potential
What should be the investment horizon?	Suitable for investors having an investment horizon up to 1 year

WHY NOW?

Current Economic Landscape

- India is one of the fast-emerging economies with **low inflation rates***, creating a favorable environment for money market funds

- The healthy landscape entails **investments opportunities**, as investors seek stability and yield amidst economic fluctuations

*Source: IMF

Inflation Forecast within RBI's Tolerance Zone

- RBI's inflation tolerance band is 4% ± 2%
- CPI inflation for the financial year 25/26 is projected at 4%
  - Q1: 3.6%
  - Q2: 3.9%
  - Q3: 3.8%
  - Q4: 4.4% with risk evenly balanced
- The MPC noted that inflation is currently below the target, supported by a sharp fall in food inflation

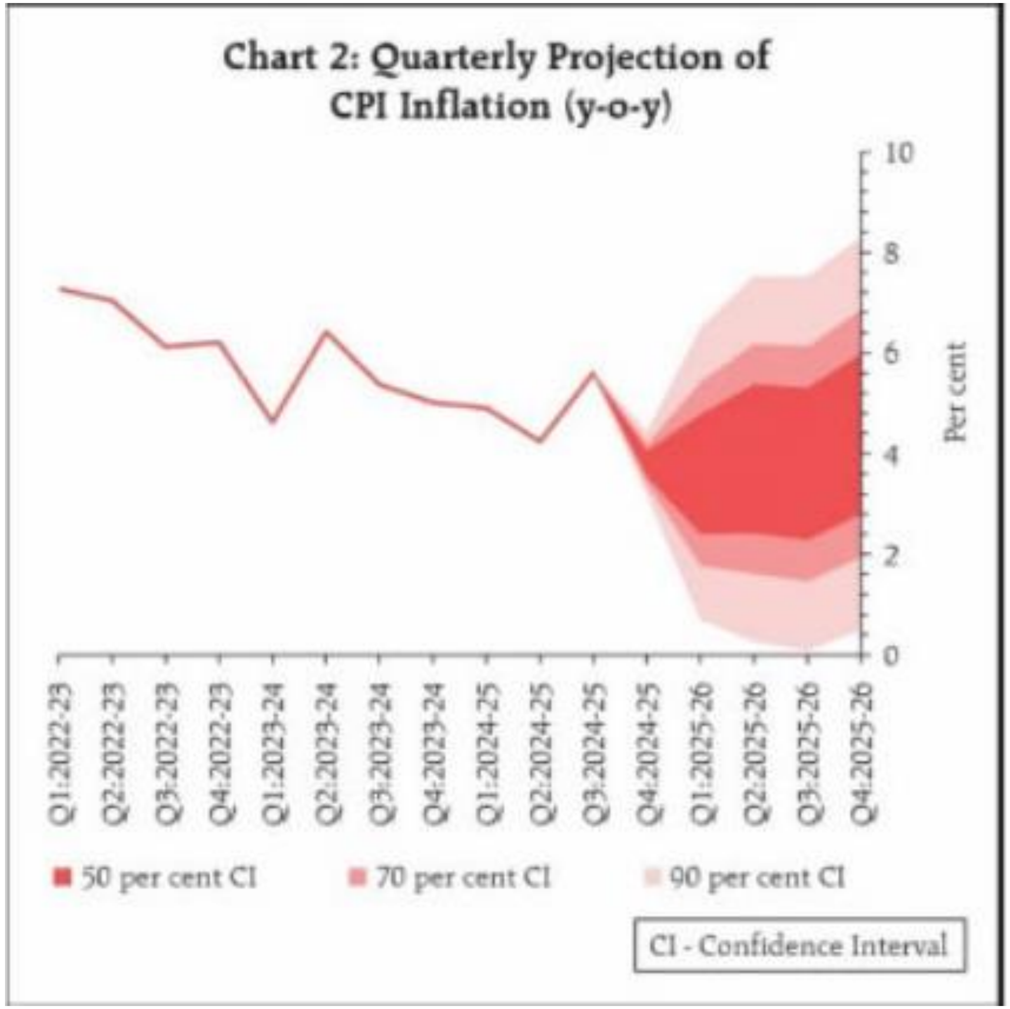


Fig 1: Quarterly Projection of CPI Inflation (y-o-y)

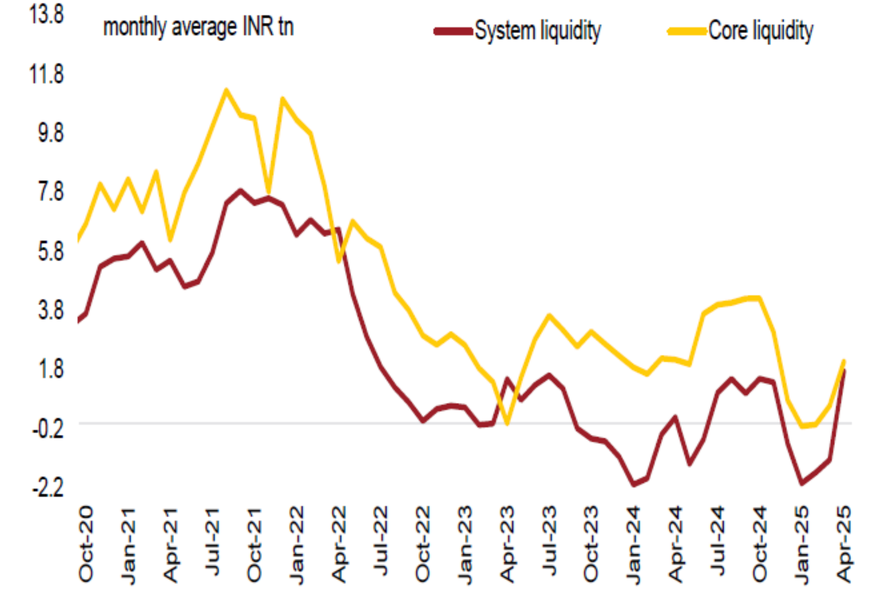
Source: RBI

Liquidity in the System: Comfortable with RBI intervention

Bank of India Mutual Fund

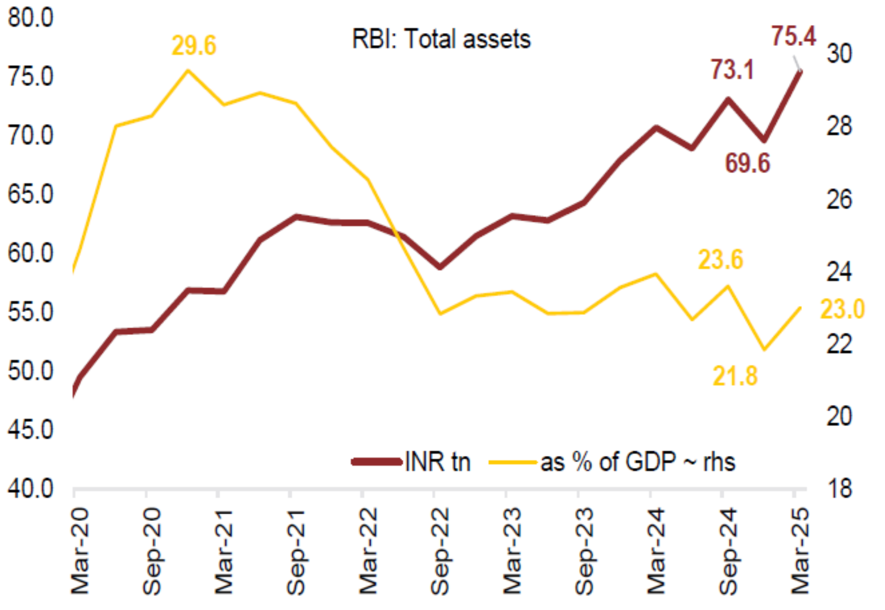
- RBI has been nimble and proactive in its liquidity management
- RBI has announced OMO auctions of INR 3.1 Tn (INR 600 Bn yet to go through); B/S FX Swap auction in 6 month for INR 440 Bn; Two B/S FX Swap auctions in 3y for INR 1.7 Tn; Secondary market OMO purchase of INR 580 Bn

Exhibit 1: Core liquidity turns substantial surplus



Source: CEIC, IDFC FIRST Bank Economics Research

Exhibit 2: RBI balance rises with durable liquidity infusion



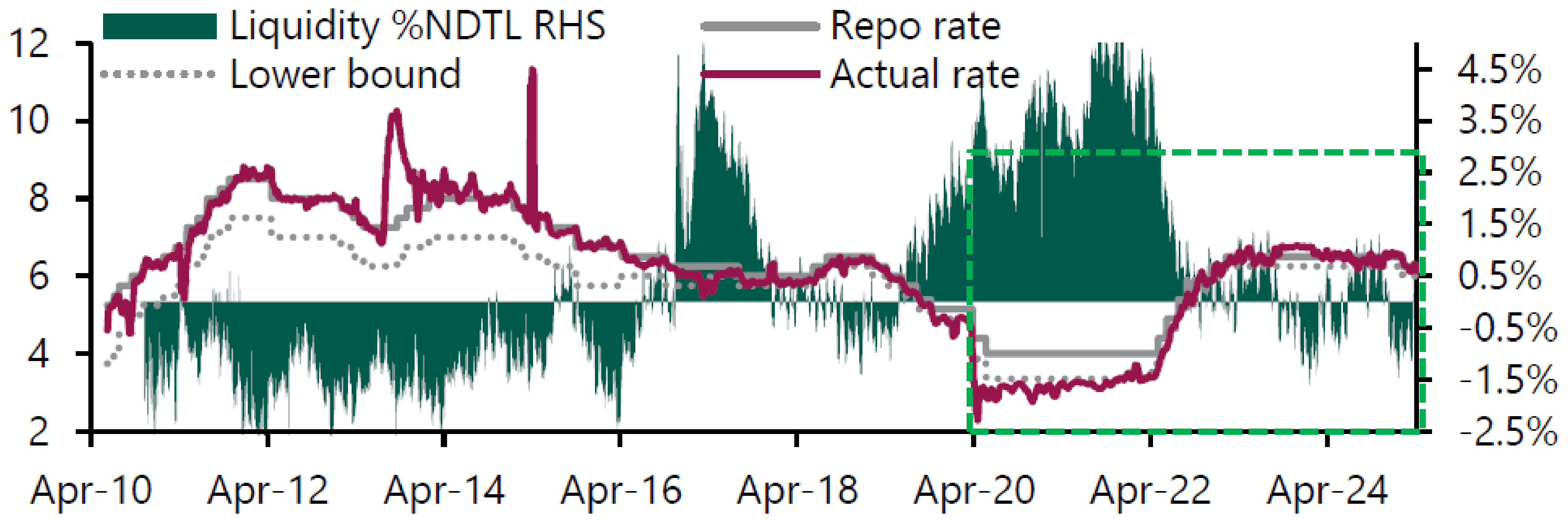
Source: CEIC, IDFC FIRST Bank Economics Research

✓ RBI has been active in its money market operations ensuring that the overnight rate stays close to the repo rate

Source: RBI, Bloomberg, ICICI Bank Research; FRRR: Fixed Rate Reverse Repo, VRRR: Variable Reverse Repo Rate, WACR: Weighted Average Call Rate, CRR: Cash Reserve Ratio

Liquidity To Remain Comfortable

Exhibit 1 - Surplus liquidity and rates at lower bound can drive further easing

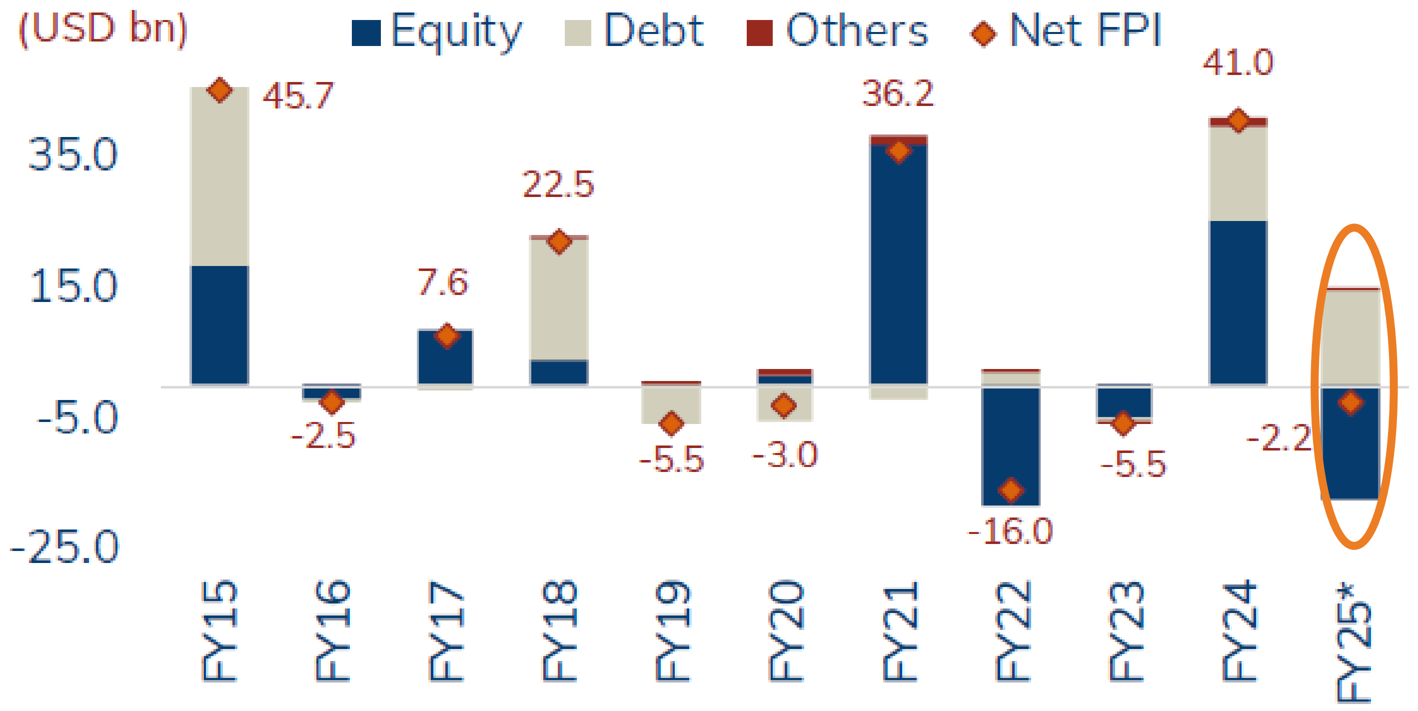


- From a liquidity deficit situation, we have moved to a surplus liquidity scenario
- Overnight VRR/VRRR auctions were a staple of RBI liquidity management in 2017 and 2019
- Liquidity management tools helped keep overnight rates around the repo rate
- Also, actions such as this by the central banker, ease concerns on overnight rate

Source: RBI, Axis Bank Research

Despite Trump Trade, India in FPI inflows- Debt

Net FPI turns negative; stood at USD (-)2.2bn (debt inflows: USD 14.7bn, equity outflows: USD -17.4bn)



- India's Net FPI inflows stood at USD -2.2bn
- for FY25 so far
  - Debt: +14.7 USD bn
  - Equity –17.4 USD bn)

Source: RBI, CEIC, IIF

RBI's Forex War Chest ~ 11 Month Import Cover

Bank of India Mutual Fund

Fig i: India Forex Reserve v/s USD INR Trend

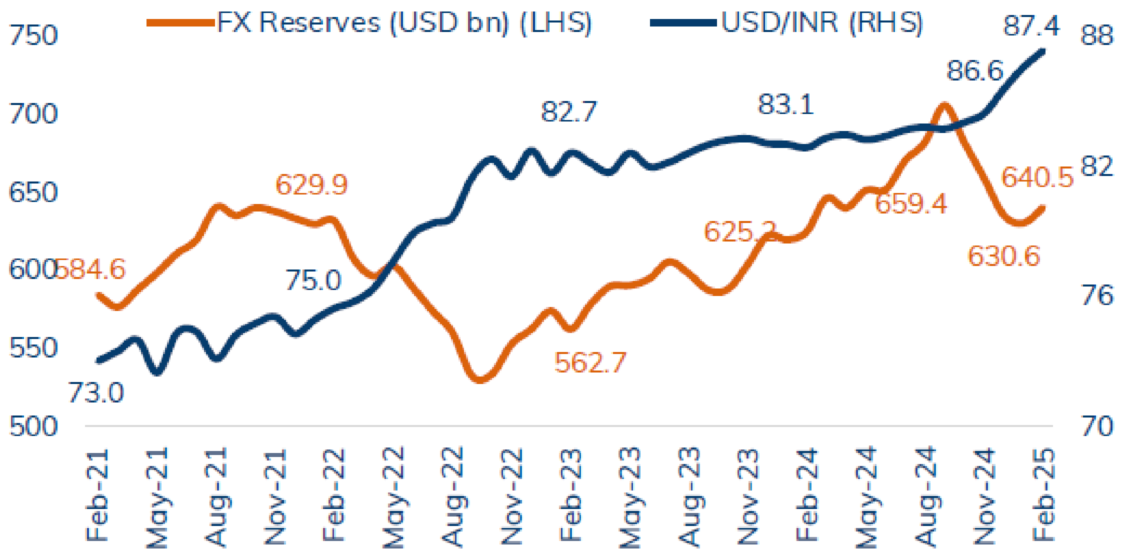
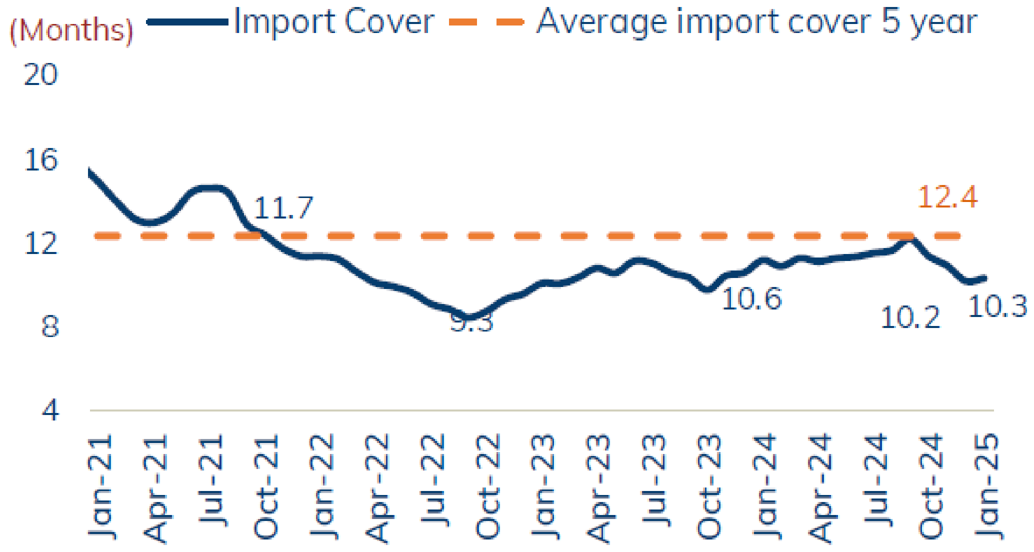


Fig ii: India Import Cover*



- RBI's Forex has dipped from an all time high of 705 bn USD to 640 bn USD in Feb'25
- In 2013 the forex was 292 USD Bn

- Current Forex implies a comfortable import cover of ~11 months of India's imports

Source: RBI, CEIC, ICICI Bank, Bloomberg Research; * Import cover is a metric that measures how many months of a country's imports can be paid for using its foreign exchange reserve. Note: A forex war chest is a collection of foreign exchange reserves that a country builds up to help it deal with unexpected events

Rate Cut: Odds Have Increased

Post Strong Downward Revision of Advance Estimates of FY25 GDP

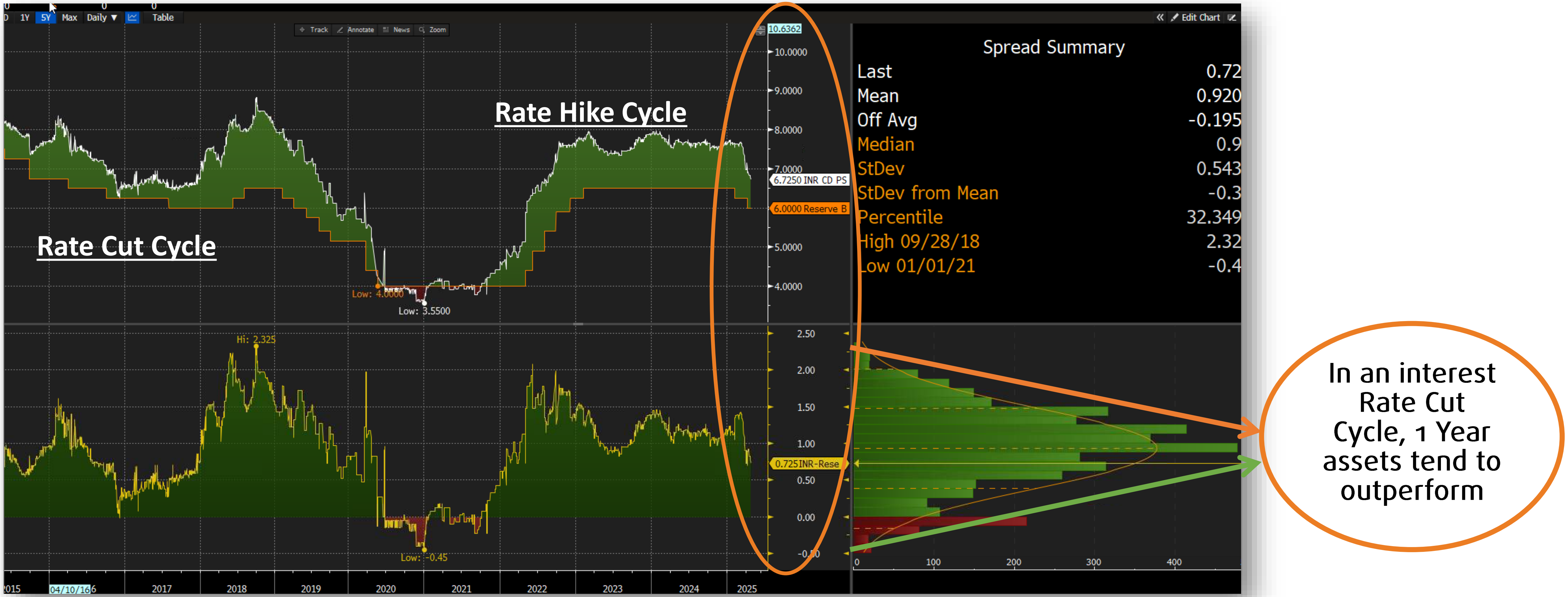
Yearly growth estimates (% YoY)	FY23 Earlier	FY23 Now	FY24 Earlier	FY24 Now	FY25 FAE	FY25 SAE
PFCE	6.8	7.5	4.0	5.6	7.3	7.6
GFCE	9.0	4.3	2.5	8.1	4.1	3.8
Investment	6.6	8.4	9.0	8.8	6.4	6.1
Net Exports	2.8	1.4	-8.3	-11.6	7.2	8.2
GDP	7	7.6	8.2	9.2	6.4	6.5

- NSO has revised GDP growth for both FY23-FY24 higher on account of improved private consumption
- Even, FY25 growth gone up by 6.5% YoY on the back of private consumption and investment
- From the supply side, higher agriculture production and buoyant services resulted in upward revision of both GVA growth in FY23-FY24

Source: NSO, ICICI Bank research; MPC: Monetary Policy Committee, GVA: Gross Value Added

Attractive Spread:

- With liquidity to continue to be surplus:
  - Jan, Feb and Mar CDs offer potentially better opportunity

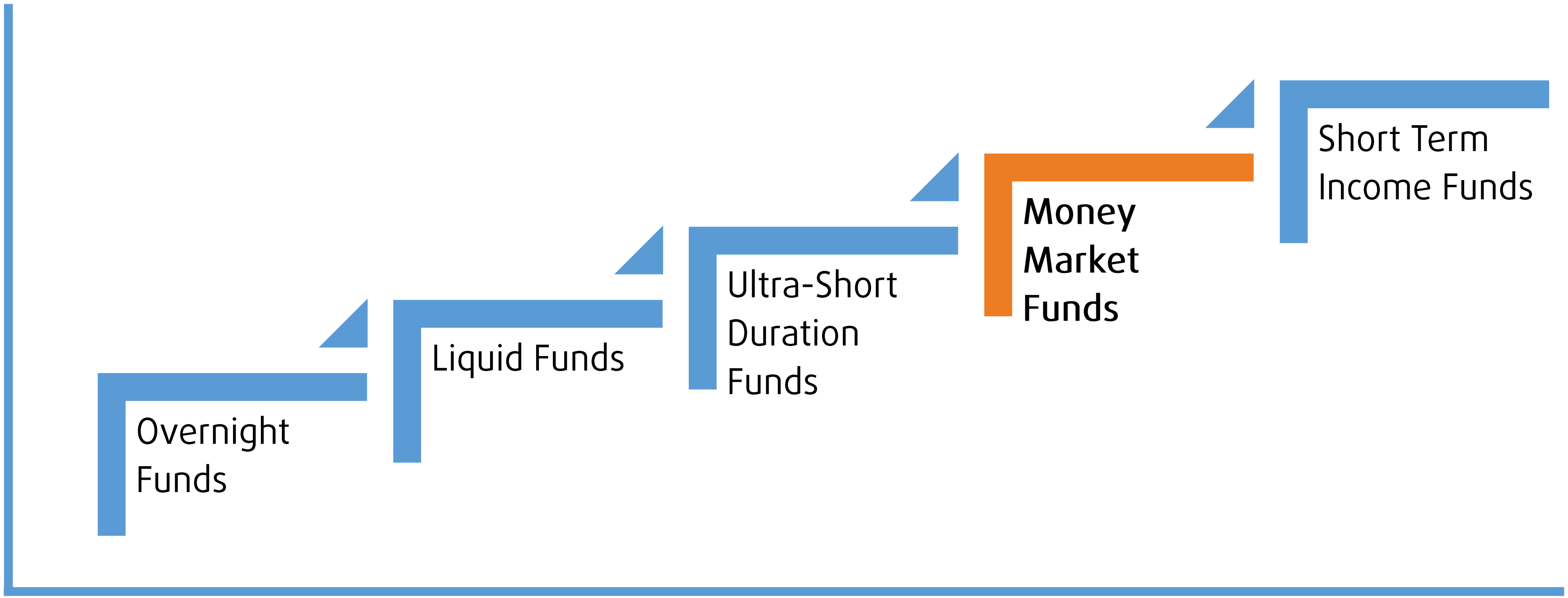


Source: RBI, Bloomberg Research

Why Bank of India Money Market Fund?

Fund Positioning

Bank of India Mutual Fund



Risk as measured in duration

Investment in 1 Day maturities	Investment in up-to 91 Day maturities	Macaulay duration of portfolio between 3 – 6 months	Investment in maturities (Up-to 12 months)	Macaulay duration of portfolio (1-3 years)

Portfolio Positioning:

- Fund will invest in CDs (Certificate of Deposits), CPs (Commercial Bills), Treasury Bills and Government Securities having a **maturity up to 1 year**
- Portfolio will maintain a **Higher Credit Quality** with a focus on higher accruals
- Aim to capture opportunities in Money Market instruments with **better liquidity**
- Suitable for investors having an investment **horizon up to 1 year**

Why is Bank of India Money Market Fund being relevant in the current scenario?

Bank of India Mutual Fund

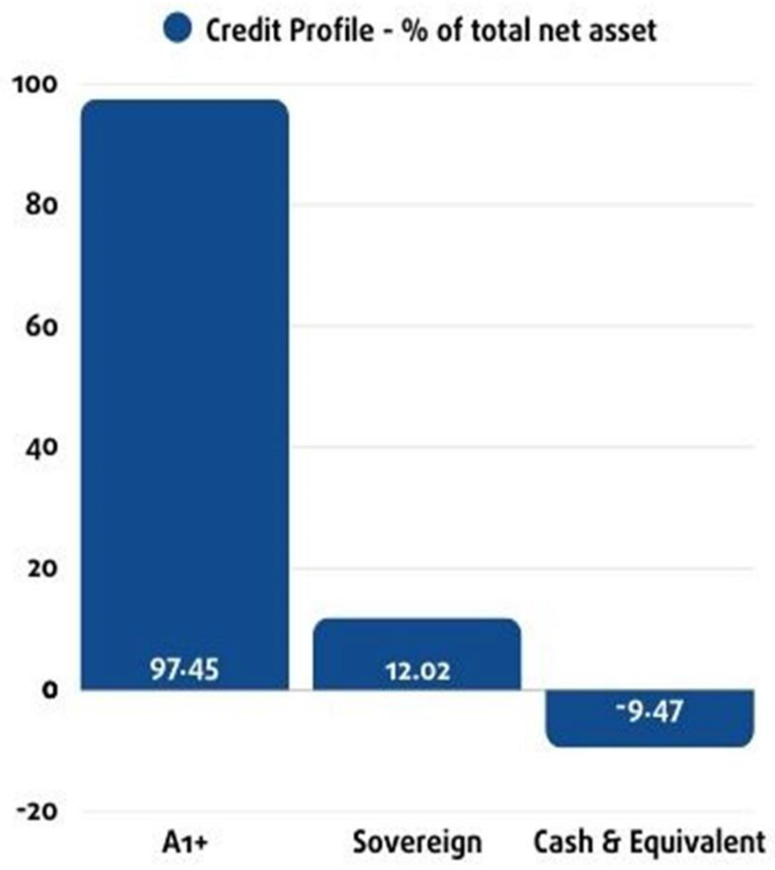
- Fund would take exposure predominantly in instruments having a maturity of 1 year
- Repo Rate currently at 6.00 % is at a cusp of coming down hence there could be further appreciation in 1 year maturity papers
- Liquidity may remain surplus to further augment rates at attractive entry points for investors
- 12 Month CD in the range of 6.70-6.75%

*Source: RBI; #Source: CCIL/Ftrack

Bank of India Money Market Fund- Portfolio Details

Bank of India Mutual Fund

Portfolio as on 31st March 2025



Aims to provide an investment option which is highly liquid in nature along with potential returns on investments.

Fund Positioning:

- Invests in A1+/ Sovereign rated instruments
- Dynamically manage duration
- Asset Composition of CD (83%), +CP (15%) with T-bills and Cash and others

Portfolio Quant:

- Average Maturity: 0.81 Years
- Macaulay Duration: 0.88 Years
- Modified Duration: 0.88 Years
- Annualised Yield: 6.51%

Expense Ratio: Regular Plan: 0.62% | Direct Plan: 0.12%

Source: Factsheet March 2025; Link: https://www.boimf.in/investor-corner

Who can invest in Bank of India Money Market Fund?

Bank of India Mutual Fund

Investors seeking low risks and low volatility along with better liquidity can invest in this fund

Potential Risk Class (PRC) Matrix

Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)		B-I	
Moderate (Class II)			
Relatively High (Class III)			

Corporate Treasuries: Companies seeking to manage surplus funds efficiently.

High Net- worth Individuals (HNIs): Those looking to diversify their investment portfolio with low- risk instruments

Short- term Investors: Individuals looking for a safe place to park their funds for a short duration

Conservative Investors: those seeking low- risk investment options with potential returns

Retirees: Investors who prefer low-risk and liquid investments

Bank of India Money Market Fund

Bank of India Mutual Fund

Investment Objective:

The investment objective is to generate returns with reasonable liquidity to the unitholders by investing in money market instruments. There is no assurance that the investment objective of the Scheme will be achieved.

Type	An open-ended debt scheme investing in money market instruments. A relatively low-interest rate risk and moderate credit risk
Benchmark	First Tier Benchmark: CRISIL Money Market A-1 Index.
Fund Manager	Mr. Mithraem Bharucha
Plan & Options	Plans- Direct Plan and Regular Plan Options under each Plan(s): Growth Income Distribution cum Capital Withdrawal (IDCW) (Reinvestment of IDCW & payout of IDCW)
Exit Load	NIL

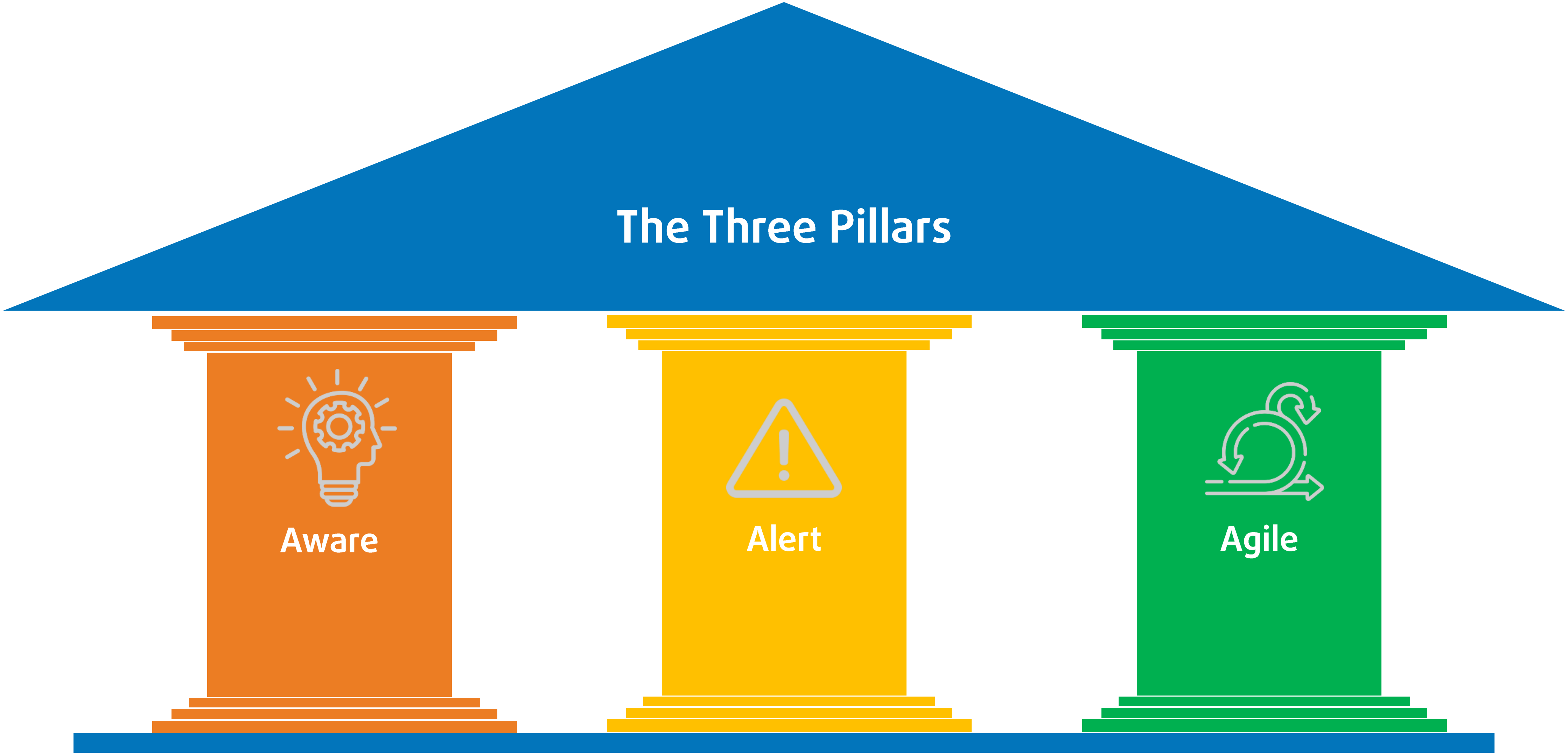
OUR FIXED INCOME INVESTMENT PHILOSOPHY

GUIDED BY RESEARCH, DRIVEN BY RESULTS

Captures a balanced approach by leveraging thorough research to make informed, strategic moves while focusing on achieving results.

Investment Approach – Fixed Income Funds

Our Strategic 3A Investment Approach for Fixed Income Funds



Investment Process: Fixed Income Funds

Macro-Economic Analysis

- Comprehensive Economic Review
- Policy Analysis
- Global Interest Rate Assessment

Qualitative and Quantitative Research

- Qualitative Research Insights
- Quantitative Research Analysis

Technical and Market Analysis

- Market Trend Analysis
- Trader Insights
- Economic Data Impact

Credit Research, Portfolio Positioning, Asset Allocation & Security Selection

- Interest Rate & Yield Curve Positioning
- Holding Period Return Analysis
- Proactive Company Credit Research
- External Ratings and Insights

Risk Management and Review

- Internal Credit Exposure Limits
- Individual & Group Exposure Limits
- Repo Counterparty Exposure Limits

Product Label

This product is suitable for investors who are seeking*:	Risk-o-meter is based on the scheme portfolio as on March 31, 2025	Benchmark Risk-o-meter as on March 31, 2025^
• Regular income over short to medium term • Investment in Money Market instruments with maturity upto one year		

Potential Risk Class Matrix

Credit Risk	Relatively Low(Class A)	Moderate (Class B)	Relatively High(Class C)
Relatively Low(Class I)		B-I	
Moderate (Class II)			
Relatively High(Class III)			

*Investors should consult their financial advisor if they are not clear about the suitability of the product.

All data as on 31st March, 2025.

Statutory Disclaimer:

This presentation is for information purpose only and is not intended to be any investment advice. Please make independent research/ obtain professional help before taking any decision of investment. Bank of India Investment Managers Private Limited (AMC) makes no representation as to the quality, liquidity or market perception of any securities/ issuer/ borrower, if described in the report above, nor does it provide any guarantee whatsoever. Information and material used in this report are believed to be from reliable sources. However, AMC does not warrant the accuracy, reasonableness and/or completeness of any information. AMC does not undertake to update any information or material in this presentation. Decisions taken by you based on the information provided in this report are to your own account and risk. AMC and any of its officers, directors and employees shall not be liable for any loss or damage of any nature, as also any loss or profit in any way arising from the use of this material in any manner. This presentation, or any part of it, should not be duplicated, or contents altered/ modified, in whole or in part in any form and or re-distributed without AMC's prior written consent.

Bank of India
Mutual Fund

Thank You