



UTI Ultra Short Term Fund

September 2023

<p>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. A moderate interest rate risk and moderate credit risk</p>	<p>Scheme Riskometer</p>	<p>CRISIL Ultra Short Duration Debt B-I Index</p>	<p>Potential Risk Class Matrix</p>																				
<p>This product is suitable for investors who are seeking*:</p> <ul style="list-style-type: none"> • Reasonable income with low volatility over short term • Investment in debt & money market instruments <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>RISKOMETER Investors understand that their principal will be at Moderate Risk.</p>	 <p>RISKOMETER Benchmark riskometer is at Moderate Risk.</p>	<table border="1"> <thead> <tr> <th>Credit Risk →</th> <th>Relatively Low (Class A)</th> <th>Moderate (Class B)</th> <th>Relatively High (Class C)</th> </tr> </thead> <tbody> <tr> <th>Interest Rate Risk ↓</th> <td></td> <td></td> <td></td> </tr> <tr> <th>Relatively Low (Class I)</th> <td></td> <td></td> <td></td> </tr> <tr> <th>Moderate (Class II)</th> <td></td> <td>B-II</td> <td></td> </tr> <tr> <th>Relatively High (Class III)</th> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Credit Risk →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)	Interest Rate Risk ↓				Relatively Low (Class I)				Moderate (Class II)		B-II		Relatively High (Class III)			
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#Risk-o-meter for the fund is based on the portfolio ending September 30, 2023. The Risk-o-meter of the fund/s is/are evaluated on monthly basis and any changes to Risk-o-meter are disclosed vide addendum on monthly basis, to view the latest addendum on Risk-o-meter, please visit the addenda section on <https://utimf.com/forms-and-downloads/>

- The **US and the global economy continue to display growth resilience**, and labor markets remain robust.
- Globally, the cushion of consumer excess savings is being eroded, and money supply in the DMs is contracting; banks are tightening lending standards with the cost of financing continuing to rise
- The rapid rise in borrowing costs from already elevated levels threatens dislocations that could interrupt broader access to credit and funding.
- Domestically, MPC voted unanimously to keep the policy **rate unchanged at 6.50%** and also kept **inflation & growth forecasts unchanged for FY24**. However, the RBI's action on liquidity management was possibly an attempt to build a buffer given the heightened global bond/currency volatility. **The decidedly hawkish forward guidance was indicative of a long pause**. The delayed rate cycle may also be shallower.
- However, with concerns of a global slowdown and monetary transmission from the rapid rise in interest rates still unfolding, current bond yields present an attractive opportunity for patient investors.

Investors can consider portfolios with moderate duration, which provide a high level of real yields and the possibility of participating in capital gains as the interest rate cycle turns

- An accrual oriented fixed income fund positioned to capture yield movement at the shorter end of the curve
- Aims to generate regular income through investment in a portfolio comprising of shorter maturity debt & money market instruments along with tactical exposure to government securities
- Endeavors to invest 65-100% portfolio in issuers having long term AAA/equivalent* ratings
- The scheme takes some credit exposure in well-researched issuers to augment portfolio returns
- Intends to maintain a portfolio duration of 3 to 6 months which provides high liquidity and lower interest rate risk
- Probability of capital erosion and interest rate risk is sought to be reduced by maintaining a lower duration
- **Preferred Investment Horizon: 3-6 months**



GATE

- Encompasses **issuer onboarding** through rigorous analysis and research process
- Aims to **build the investment universe** in line with investment policies

INVESTMENTS

- **Comprehensive** fund strategy framework
- Incorporates:
 - **Fund Strategy** and Style
 - **Risk management** Framework
 - Potential Risk Class Matrix
- Risk Limits are central to strategy
- Experienced team
- Best in class front-office, active monitoring

MONITORING & SURVEILLANCE

- Monitoring and review of investment universe
- Market Data Analytics
- Early Warning Signal (EWS) parameters
- Use external sources for added surveillance
- Automation for increased efficiency

A Systematic Approach to Debt Investing



Macaulay Duration

3-6 Months (SEBI Norm)

Lowest Rating Threshold

A+

Short Term Rating Profile

100% A1+

Max. Exposure at Lowest Rating Threshold

15%

Long Term Rating Profile

65%-100% AAA

Perpetual Bonds (AT-1)

Nil

GSEC Exposure

Basis Investment strategy

AAA Includes AAA(SO), NCA and Sovereign instruments

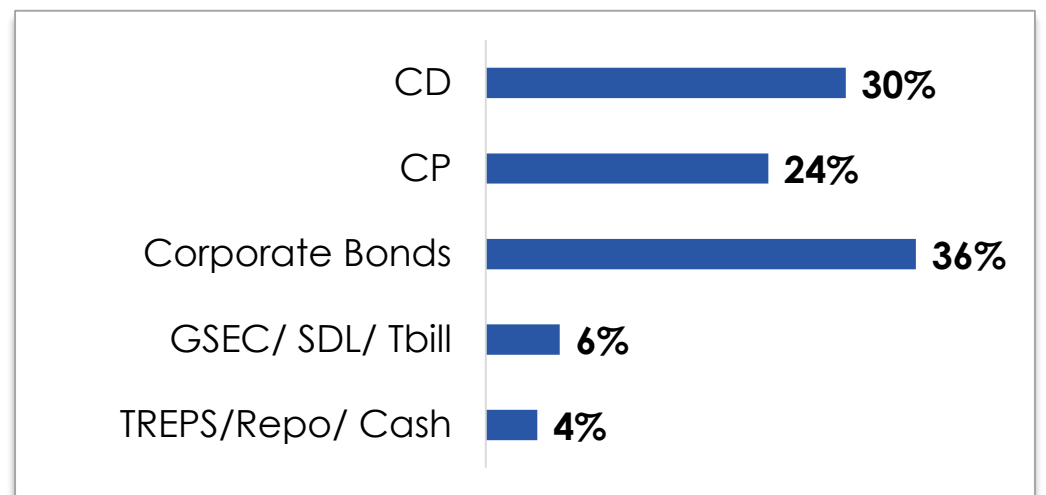
Short Term ratings are mapped to Issuer long term ratings

Rating profile asset allocation will be subject to SEBI Guidelines/AMFI best practices from time to time (E.g. LC-CRaR)

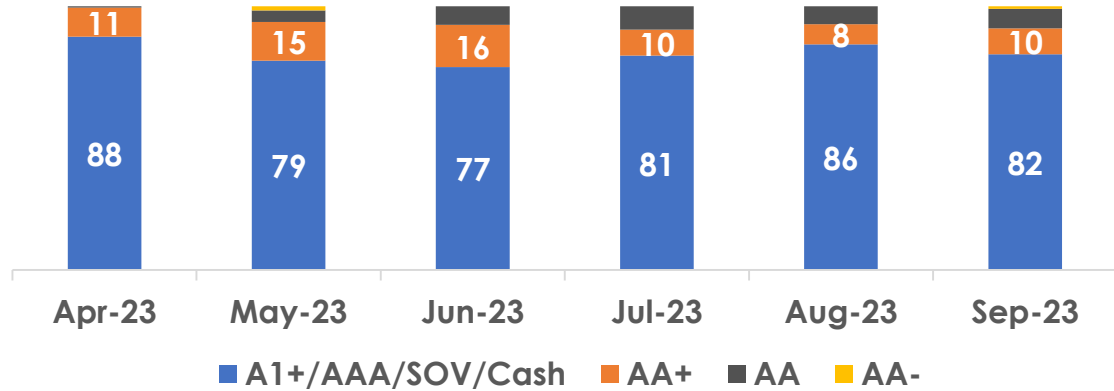
Top-10 Issuers (Non-Sovereign)

Issuer Name	Rating	% NAV
SIDBI	A1+/AAA	9.67
NABARD	A1+/AAA	8.85
HDFC Bank Ltd	A1+/AAA	8.45
Kotak Mahindra Bank Ltd	A1+/AAA	4.81
Shriram Finance Ltd	A1+/AA+	3.91
Embassy Office Parks REIT	AAA	3.73
Piramal Capital & Housing Finance Ltd	A1+/AA	3.69
Motilal Oswal Fininvest Ltd	A1+/AA	3.17
G R Infraprojects Ltd	AA+	2.91
Creamline Dairy Products Ltd	A1+/AA-	2.50
Total Top-10		51.69

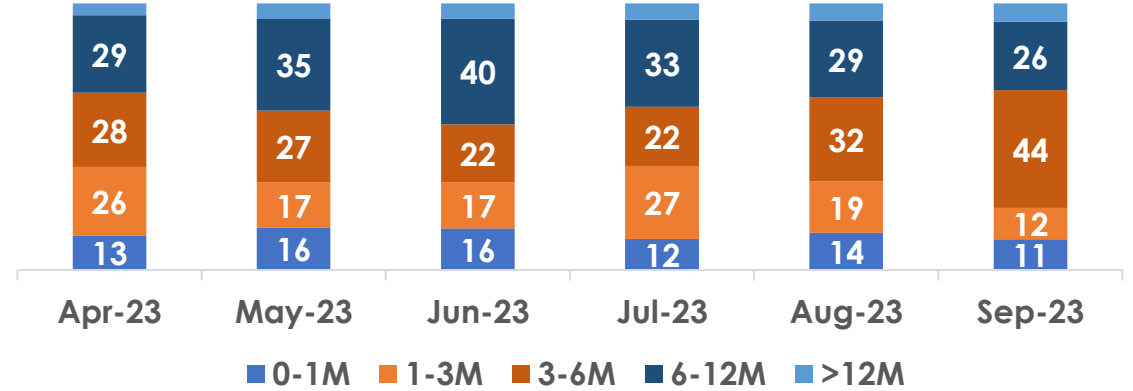
Portfolio Quants	
AUM	2,001Cr
YTM*	7.70%
Average Maturity	180 days
Modified Duration	172 days
Macaulay Duration	178 days



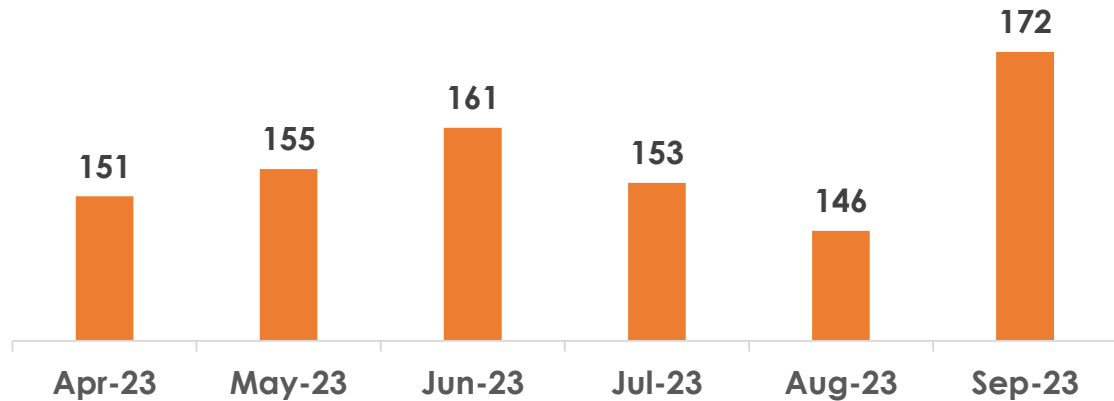
Rating Profile



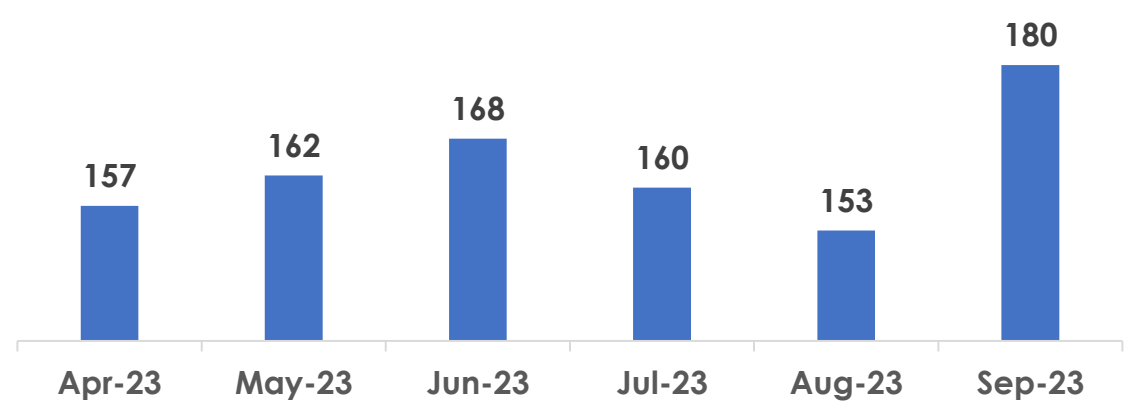
Maturity Profile (%)



Modified Duration (Days)



Average Maturity (Days)



Why invest in UTI Ultra Short Term Fund?

- A well diversified high quality portfolio duration between 3 to 6 months to provide high degree of liquidity and reasonable income.
- The scheme also invests in good quality spread assets to generate accrual income.
- Probability of capital erosion is low as interest rate risk is sought to be minimized by maintaining an ultra short term duration.
- The scheme offers lower volatility as compared to longer duration funds.

Who should invest?

- Investors looking towards reasonable returns and liquidity over the near to short term.
- Investors looking to augment their returns from other short term traditional savings avenues.
- Investors who are looking for systematic transfer plan to equity oriented schemes.
- Investors having an investment horizon of 3-6 months.

Fund Performance Vs Benchmark

Period	Returns (%)			Growth of ₹10,000/- (INR)		
	Scheme	B: CRISIL Ultra Short Duration Debt B-I Index	AB: CRISIL 1 Year T-Bill Index	Scheme	B: CRISIL Ultra Short Duration Debt B-I Index	AB: CRISIL 1 Year T-Bill Index
1 Year	6.61	7.51	6.72	10,661	10,751	10,672
3 Years	5.54	5.46	4.58	11,756	11,729	11,438
5 Years	5.20	6.27	5.75	12,887	13,556	13,227
Since Inception*	6.80	7.25	5.87	37,525	40,835	31,475

B - Benchmark, AB - Additional Benchmark


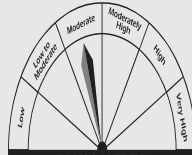
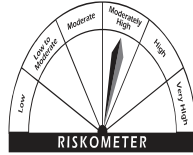

Source: MFII E *Since Inception returns for fund performance is calculated from 29/Aug/2003. Mr. Ritesh Nambiar is managing the scheme since Jul 2015. Returns are computed on Compounded Annualized Growth Returns (CAGR) basis as on September 30, 2023. The performance details provided herein are of regular plan growth option. Different plans have a different expense structure. **Past performance may or may not sustain in the future.**

Investment Objective	<p>The investment objective of the scheme is to generate reasonable income with low volatility through investment in a portfolio comprising of debt & money market instruments.</p> <p>However there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.</p>
Type of Scheme	<p>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. A Moderate Interest Rate Risk and Moderate Credit Risk.</p>
Inception Date	<p>August 29, 2003</p>
Fund Manager	<p>Ritesh Nambiar (Since July 2015)</p>
Benchmark	<p>CRISIL Ultra Short Duration Debt B-I Index</p>
Load Structure	<p>Entry Load: Not Applicable Exit Load: NIL</p>
Minimum Application Amount	<p>Initial Purchase: ₹500 (Growth Option), ₹20,000 (Other Options), and in multiples of ₹1 Additional Purchas: ₹500 and in multiples of ₹1/-</p>

Performance of other schemes managed by Fund Manager

Scheme	Benchmark	1 Year		3 Years		5 Years	
		Scheme	Benchmark	Scheme	Benchmark	Scheme	Benchmark
UTI Credit Risk Fund	CRISIL Credit Risk Debt C-II Index	6.89	9.51	10.63	8.05	-1.44	9.12
UTI Medium Term Fund	CRISIL Medium Duration Debt B-III Index	6.55	8.20	5.24	6.42	4.32	8.27

- Mr. Ritesh Nambiar manages 3 open-ended schemes of UTI Mutual Fund.
- Period of which the scheme's performance has been provided is computed based on the last day of the month's end preceding the date of advertisement.
- Compounded annualized performance of Regular Plan – Growth Option as of September 30, 2023.
- Different plans shall have different expense structures.
- **Past performance may or may not sustain in the future.**

Scheme Name	Benchmark Name	This product is suitable for investors who are seeking*	Scheme Riskometer#	Benchmark Riskometer
<p>UTI Medium Term Fund</p> <p>An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years. A Relatively High Interest Rate Risk and Relatively High Credit Risk</p>	<p>CRISIL Medium Duration Debt B-III Index</p>	<ul style="list-style-type: none"> Reasonable income over the medium to long term Investment in Debt & Money Market Instruments 	 <p>RISKOMETER Investors understand that their principal will be at Moderately High Risk.</p>	 <p>RISKOMETER Benchmark riskometer is at Moderate Risk.</p>
<p>UTI Credit Risk Fund</p> <p>An open ended debt scheme predominantly investing in AA and below rated corporate bonds (excluding AA+ rated corporate bonds). A Relatively High interest rate risk and Relatively High Credit Risk.</p>	<p>CRISIL Credit Risk Debt C-II Index</p>	<ul style="list-style-type: none"> Reasonable income and capital appreciation over medium to long term Investment in debt and money market instruments 	 <p>RISKOMETER Investors understand that their principal will be at Moderately High Risk.</p>	 <p>RISKOMETER Benchmark riskometer is at High Risk.</p>

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Potential Risk Class Matrix

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

REGISTERED OFFICE: UTI Tower, 'GN' Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051. Phone: 022 – 66786666. UTI Asset Management Company Ltd (Investment Manager for UTI Mutual Fund) Email: invest@uti.co.in. (CIN-U65991MH2002GOI137867). For more information, please contact the nearest UTI Financial Centre or your AMFI/NISM certified UTI Mutual Fund Independent Financial Advisor (IFA) for a copy of the Statement of Additional Information, Scheme Information Document, and Key Information Memorandum cum Application Form.

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Thank You