UTI Mutual Fund

UTI Financial Services Debt Fund

An open ended debt scheme investing predominantly in debt securities issued by entities belonging to financial services sector. (only in AA+ and above rated corporate bonds)

Relatively High Interest Rate Risk and Moderate Credit Risk

NFO period: 27th Oct 2026 – 2nd Nov 2026

What is UTI Financial Services Debt Fund?

A high-grade, accrual-focused portfolio of financial-sector securities



CREDIT QUALITY

Predominantly AAA/AA+ rated financial-sector debt securities.

A high-grade portfolio of companies in the financial services for the yield premium



INVESTMENT STRATEGY

Accrual focused

Designed to generate steady income through attractive coupon yields



DURATION

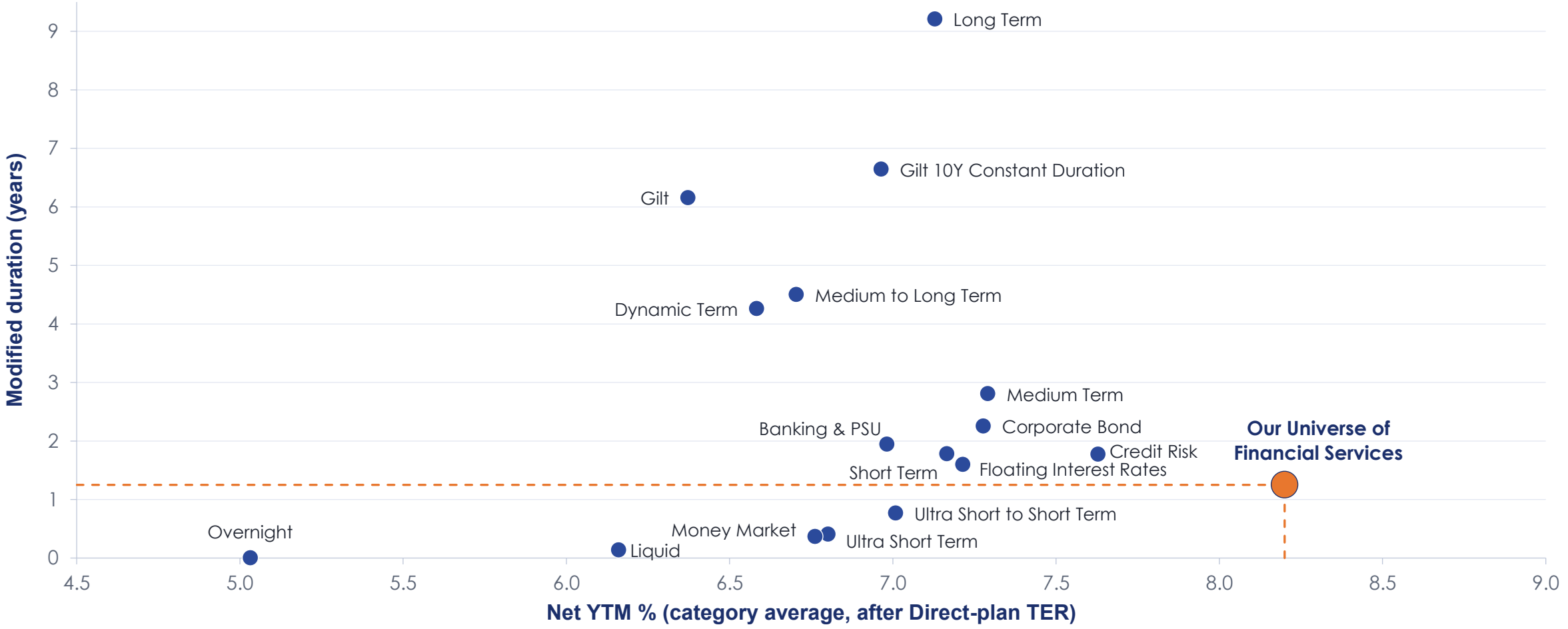
~1–1.5 years*

Target duration at launch to capture yield while aiming to moderate sensitivity to interest-rate movements.

Investment strategy and duration at launch are indicative; the duration profile of the scheme shall be aligned with the duration profile of the scheme's benchmark as prescribed by AMFI. Refer to the SID for the asset allocation. * The indicated duration is for illustrative purposes only and may vary depending on the Fund Manager's assessment of prevailing market conditions and the interest-rate outlook. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Higher Yield Potential at Lower Duration Exposure

Aims to capture opportunities in financial-sector debt while maintaining a moderate duration profile.



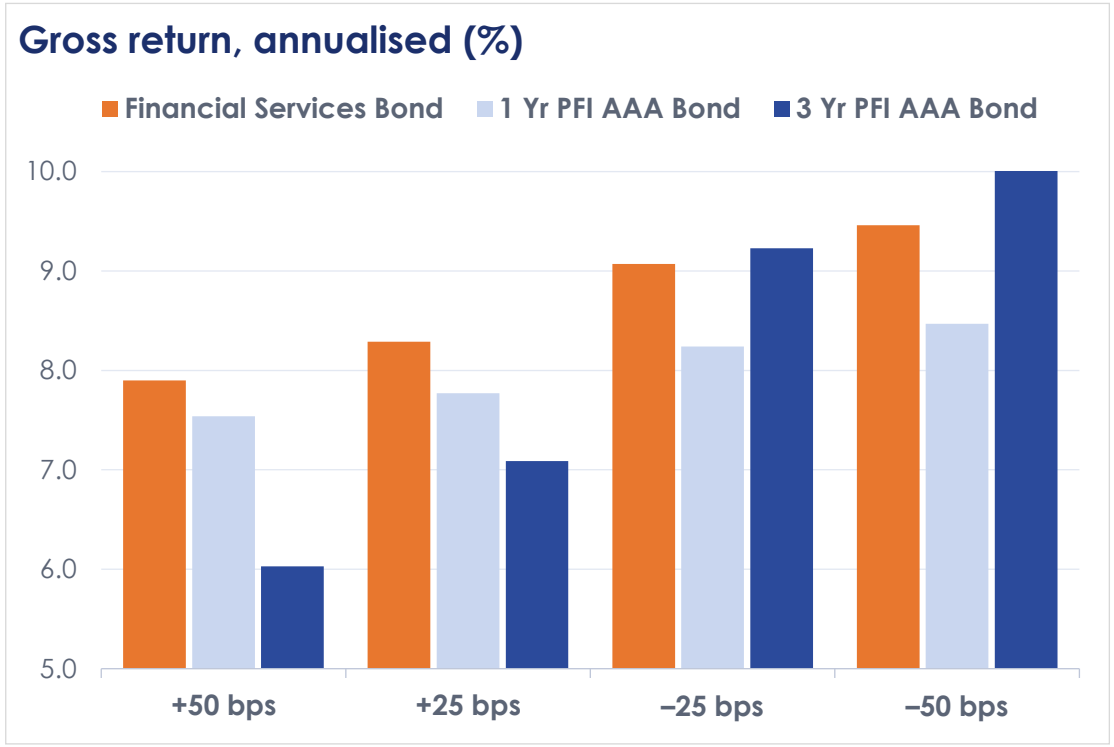
Data source: MFI 360, Data as on 30th Sep-26. UTIMF Internal Analysis. ICRA Analytics scheme master. Simple average YTM (Yield to Maturity) of Direct-Growth plans; Net YTM = YTM – Direct-plan TER (Total Expense Ratio); MD(Modified Duration) derived from Mac D (Macaulay Duration) where not reported.
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Scenario Analysis : Yield Movement Simulation

UTI Mutual Fund

Relative Performance Analysis

Parameters	Financial Services Bond[3]	1 Yr PFI AAA Bond[1]	3 Yr PFI AAA Bond[2]
YTM	**8.35%**	7.85%	8.00%
Mod. duration	**1.25 yrs**	0.95 yrs	2.6 yrs
Change in yield	**Investment Horizon of 6 Months**		
+50 bps	**7.74%**	7.54%	6.03%
+25 bps	**8.13%**	7.77%	7.09%
–25 bps	**8.92%**	8.24%	9.23%
–50 bps	**9.31%**	8.47%	10.31%



Higher portfolio yield may provide a cushion against adverse interest-rate movements

Gross returns over a 6-month horizon, annualised. Data represented here is for illustration purposes only, not an indication of actual returns. Assuming mark-to-market (MTM) gain/loss at the end of the investment horizon month. This is a gross return; actual returns may be reduced due to expenses, as per the scheme's plan.

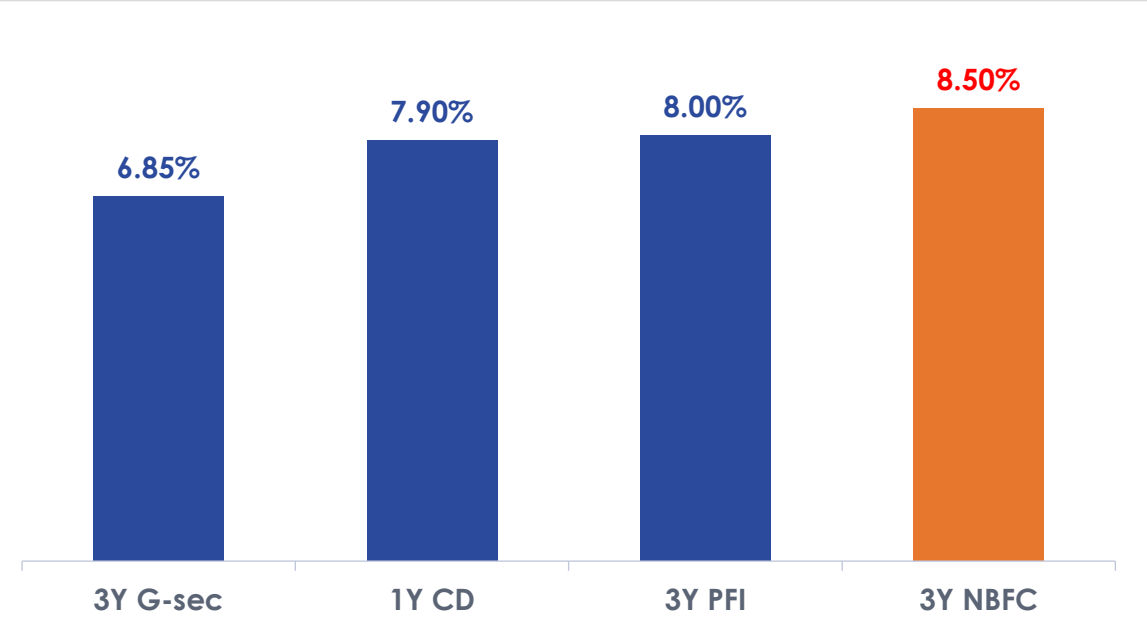
1-FIPBAAA1 YCRV Index , 2 - FIPBAAA3 YCRV Index, 3 - FINCAAA2 YCRV Index, PFI: Public financial institution, 3 – Assumed YTM of the fund

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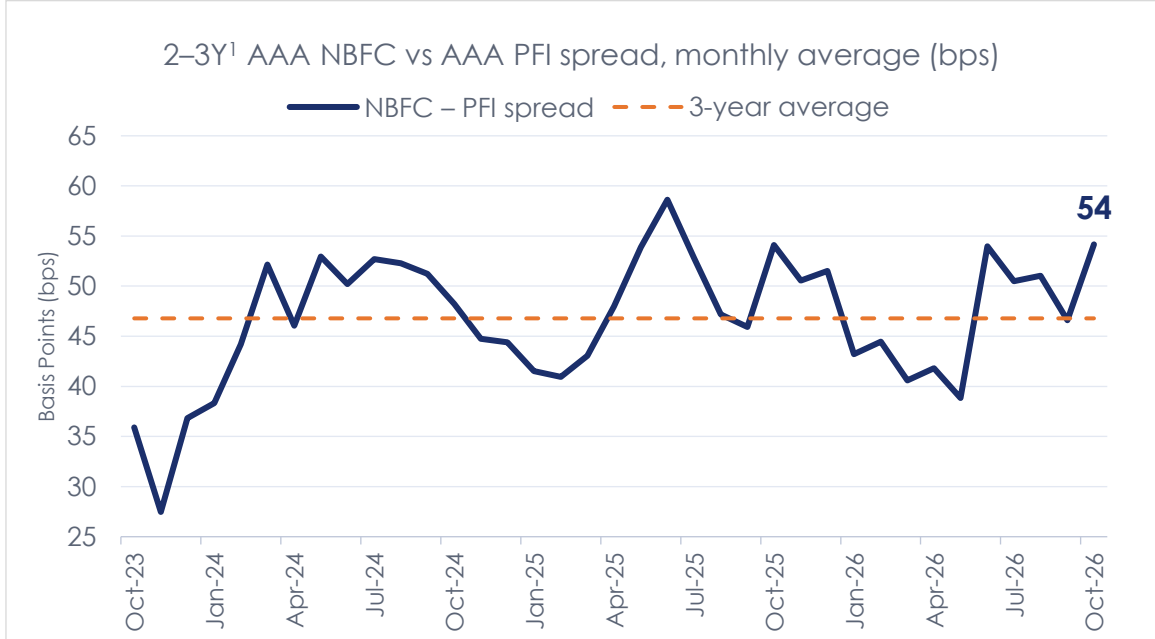
Financial Services Debt: An Attractive Yield Opportunity

AAA NBFC spreads over PFIs remain attractive

NBFCs[2] offer attractive yields across the fixed income spectrum



NBFC–PFI spreads remain above historical averages



NBFCs offer an attractive entry point

- High quality NBFCs are yielding around 8.50%
- NBFCs are offering165 bps spread over 3-year G-Secs and are commanding a 54 bps premium over the 3 year historical averages of AAA PFIs

Source: UTI MF Internal Research, Daily data from Oct-23 to Oct-26, monthly averages 1 – Average of FINCAAA2 YCRV index and FINCAAA2 YCRV index, 2 – Non Banking Finance Companies, 3Y NBFC denotes FINCAA32 YCRV Index, 3YPFI denotes FIPBAAA3 YCRV Index, 3Y G-sec denotes GIND3YR Index, 1Y CD denotes FIPBAAA1 YCRV Index. PFI: Public financial institution. Spreads in bps over G-sec of matching tenor.

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AAA NBFCs : An Attractive Risk-Reward Proposition

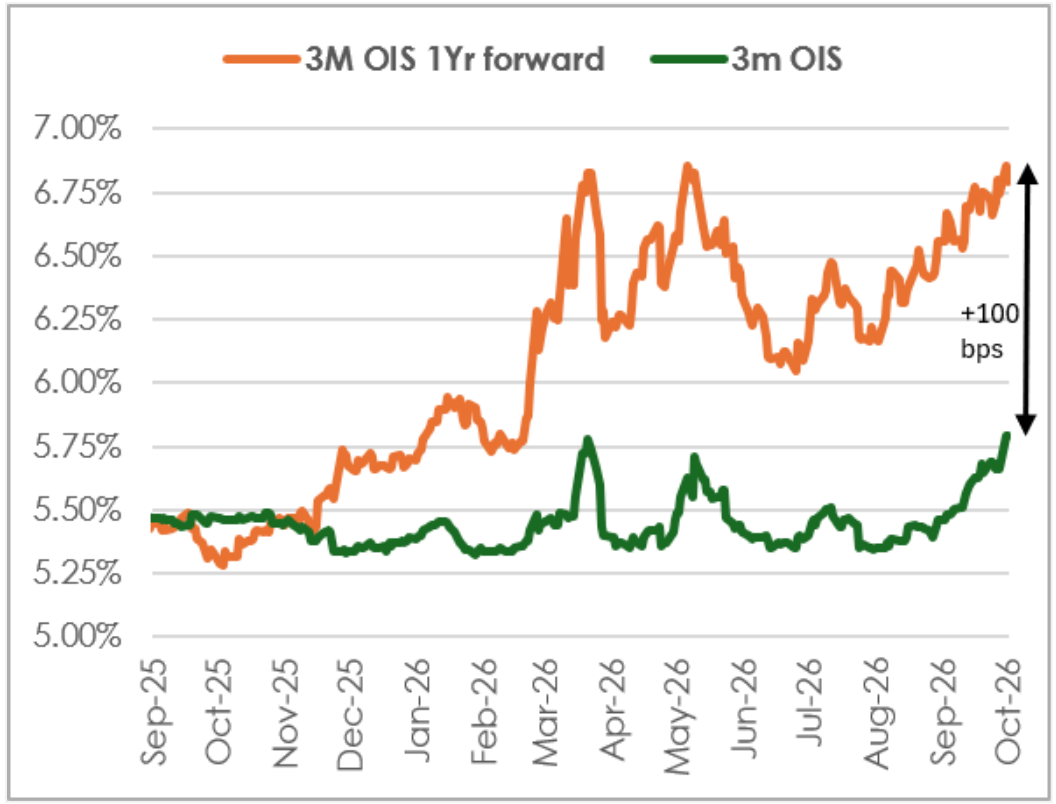


- Since 2016, NBFCs yields have breached 8.50% only 9% of times presenting an attractive entry point.
- Even if yields rise an ***8.50% starting yield offers meaningful carry*** to help absorb mark-to-market volatility

Source: Bloomberg (2Y AAA NBFC Yield: BCOPN3A2 Index), daily calendar-day observations, 31-Jan-16 to 16-Oct-26. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

Markets are Pricing 100 bps Repo Rate Hike

The 1-year-forward 3-month OIS is ~100 bps above spot, up from near zero a year ago



~6.85%

1Year forward 3M OIS, Oct-26

Near its Mar–May 2026 highs

~100 bps

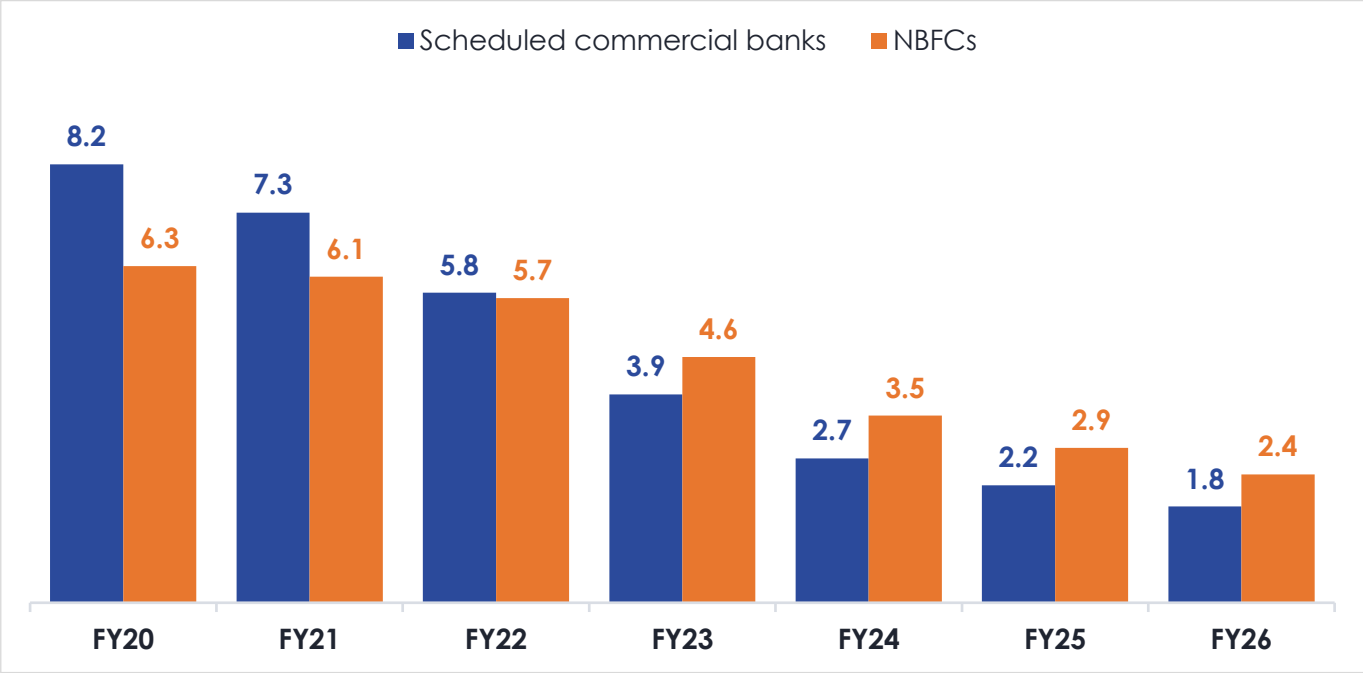
Forward over spot

Was close to zero in Sep–Nov 2025

Source: Bloomberg. OIS: overnight indexed swap. 3M OIS 1Yr forward: the 3-month OIS rate implied for one year ahead. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

India's Financial Sector: Stronger Balance Sheets, Lower Credit Risk

Gross NPAs have sharply declined across banks and NBFCs



0.4%

Bank net NPA, Mar-26

from 2.8% in Mar-20; NBFCs 0.8%

₹4,05,268 Cr

Bank net profit, FY26

from ₹10,911 Cr in FY20

Corporate deleveraging

Equity has grown faster than debt as profits were retained; the RBI notes deleveraging since 2015

~40% → 27.2%

Debt-to-equity ratio of listed private manufacturers, H1 FY22 → H2 FY26

37.6% → 18.0%

Share of listed corporate debt owed by firms whose profits do not cover their interest bill, FY20 → FY24

Five structural shifts, FY20 → FY26

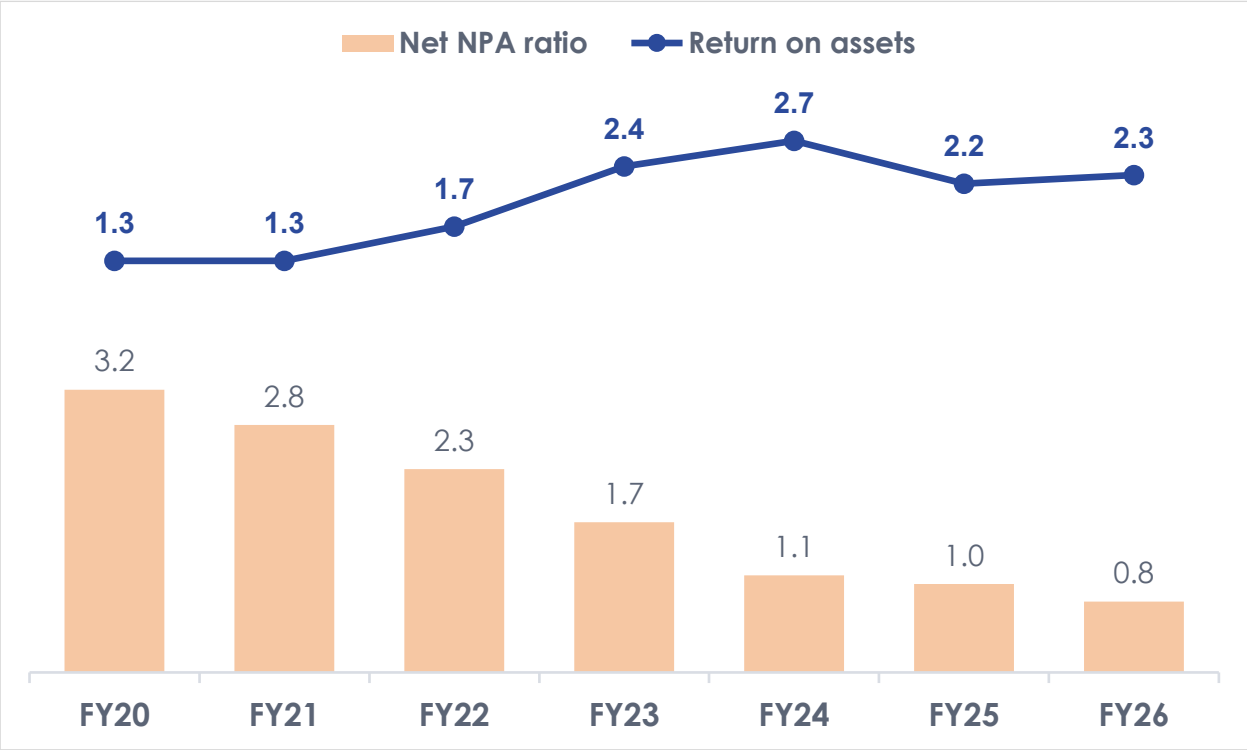
- Multi-decade low NPAs
- Stronger provision buffers
- Improved capital and profitability
- Lower corporate leverage
- Stronger resolution and oversight

Sources: RBI Financial Stability Reports; RBI Reports on Trend and Progress of Banking in India.IBC: Insolvency and Bankruptcy Code. Debt-to-equity: 2,336 listed private manufacturers
1- Non Performing Assets. Past performance may or may not be sustained in future and is not a guarantee of any future returns.

NBFCs: Stronger Fundamentals, Tighter Regulation

Improving asset quality alongside stronger profitability

Net NPAs have fallen by 75% since FY20



24.6%

NBFC capital (CRAR), Mar-26
vs 15% minimum

51.5% → 66.6%

NBFC provision coverage
Share of bad loans already provided for, Mar-20 → Mar-25

>66%

NBFC borrowings due after 12 months
Short-term commercial paper is only ~3% of borrowings, limiting refinancing risk

Sources: RBI Financial Stability Reports; RBI Reports on Trend and Progress of Banking in India.
PCA: Prompt Corrective Action; LCR: Liquidity Coverage Ratio; HFCs: housing finance companies; CRAR: capital to risk-weighted assets ratio

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UTI Fixed Income Investments Framework: The "GIMS"

UTI Mutual Fund

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

Systematic Approach to debt investing

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WHY CONSIDER UTI FINANCIAL SERVICES SECTORAL DEBT FUND?

UTI Mutual Fund

1 Attractive Yield Opportunity in Financial Services Debt

AAA financial services securities, especially NBFCs, offer attractive yields and spreads over comparable PFIs.



- Higher yield opportunity in AAA financial services space
- NBFC spreads over PFIs remain attractive
- Provides a compelling carry opportunity within high-grade credit

2 Improving NBFC Fundamentals and Lower Credit Risk

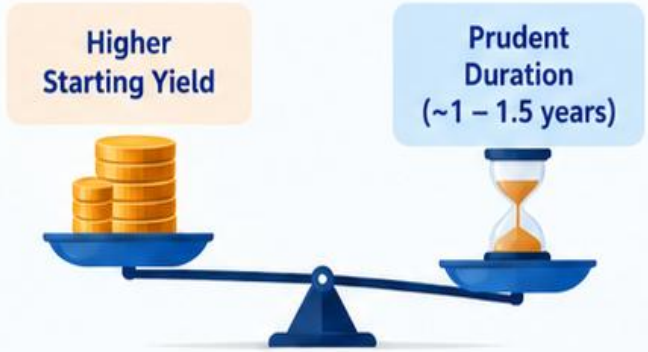
NBFCs are better capitalised, more profitable and asset quality has improved significantly in recent years.



- Asset quality has improved materially (Gross and Net NPAs have declined)
- Profitability and capital buffers have strengthened
- Stronger regulation and supervision post 2018 have enhanced resilience

3 Accrual-Focused Strategy with Prudent Duration

A high-grade portfolio focused on financial services, designed to generate steady income with moderate duration risk.



- Target duration at launch: ~1 – 1.5 years
- Accrual strategy aims to cushion mark-to-market impact even under rising yield scenarios
- High-grade credit approach: 80%+ in AA+/AAA financial services securities and up to 10% in sovereign assets (as per scheme document)

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Scheme Snapshot & Key Terms

UTI Mutual Fund

CATEGORY / TYPE
An open ended debt scheme investing predominantly in debt securities issued by entities belonging to financial services sector. (only in AA+ and above rated corporate bonds) Relatively High Interest Rate Risk and Moderate Credit Risk)

INVESTMENT OBJECTIVE
The primary investment objective of the scheme is to generate optimal returns for investors with a short term investment horizon by investing in debt and money market securities of entities predominantly belonging to financial services sector. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns.

ASSET ALLOCATION
Debt (only in AA+ and above rated corporate bonds)and Money market securities (credit rating of AA+ or above)of financial services sector across duration : 80 -100%

Debt and Money Market Securities (including Triparty Repos on Government Securities or treasury bill & Repo) issued by entities other than Financial Services entities : 0-20%

PLANS / OPTIONS
Regular & Direct Plans; Growth and IDCW Options

MINIMUM APPLICATION
₹500 and in multiples of ₹1 thereafter

EXIT LOAD
Nil

BENCHMARKING INDEX
Crisil Financial Services Short Term Debt Index

FUND MANAGER
Amit Sharma

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About Fund Manager



Amit Sharma Senior Vice President & Fund Manager – Debt. Amit Sharma has been associated with UTI since 2008 and is responsible for managing Fixed Income portfolios. He has been part of the Fund Management team since 2013 and currently manages the UTI Liquid Fund, UTI Money Market Fund, UTI Medium to Long Duration Fund, and the debt portion of the UTI Arbitrage Fund. His expertise spans Money market and duration strategies within Fixed Income. Over his career, he has worked extensively with a wide range of debt instruments including money market instruments, government securities, and corporate bonds. He has more than 10 years of experience in fund management. He holds the Chartered Accountant (CA) qualification and is also a certified Financial Risk Manager (FRM) certified by GARP, USA.

Product Label

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*:	Scheme Risk-o-meter: UTI Financial Services Debt Fund	Benchmark Risk-o-meter: Crisil Financial Services Short Term Debt Index
• Reasonable income over short-term • Investment in debt & money market securities issued by entities in financial services sector		
Product labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.		

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

Potential Risk Class Matrix

Credit Risk → / Interest Rate Risk ↓	Relatively Low (Class A)		Moderate (Class B)		Relatively High (Class C)	
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	UTI Financial Services Debt Fund	C-III	

B-III - Relatively High Interest Rate Risk and Moderate Credit Risk

Disclaimer

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-L65991MH2002PLC137867). 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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The fund Strategy shown is subject to change with respect to peer-set and benchmark. Limits mentioned are internal prudential norms. For asset allocation and related details, please refer to the Scheme Information Document of the respective schemes.

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Thank You