

# Kotak Banking and Financial Services Fund

An open ended equity scheme investing in the Banking and Financial Services sectors

30<sup>th</sup> November 2024



## Fund Facts

**Allotment Date:** 27 February 2023.

**Benchmark:** Nifty Financial Services TRI

**AUM:** ₹1,031.00 crs



## Fund Manager\*

Ms. Shibani Sircar Kurian &  
Mr. Abhishek Bisen



## Minimum Investment Amount

**Initial & Additional Investment**  
₹100 and any amount thereafter

**Systematic Investment Plan (SIP)**  
₹100 and any amount thereafter

**Ideal Investments Horizon**  
5 Years & Above



## Risk Ratios

Standard Deviation <sup>\$</sup>	11.39%
Beta <sup>\$</sup>	0.90
Sharpe <sup>\$</sup>	1.36
Portfolio Turnover	38.20%
(P/E)	16.19
P/BV	2.56



## Total Expense Ratio\*\*

Regular Plan: 2.19%  
Direct Plan: 0.68%



## About the Fund

- The fund predominantly invests in securities engaged in banking and financial services sectors.
- The Fund follows bottom-up approach of Business, Management and Valuation to identify companies within the banking and financial services sector showing growth at a reasonable price.
- The fund has flexibility to invest across all market capitalisation.



## Portfolio Action

- Credit growth in the system has moderated to ~12% largely on the back of slower growth in unsecured loans and loans to NBFCs.
- Deposit growth is still lagging credit growth but the gap with credit growth has narrowed. At the margin there is an improvement in deposit growth and reduction in Loan – deposit ratios for banks
- In this context, banks with higher CASA (low cost deposits), retail deposits are better placed. NIMs would likely face near term pressure before stabilising towards H2FY25. The timing of the policy rate cuts in India would also have a bearing on NIMs given that most of the loans are floating in nature.
- The banking sector balance sheet remains strong with stress being restricted to pockets such as micro finance loans and segments of unsecured credit
- Valuations in the banking sector for the larger banks are still reasonable despite the improvement in fundamentals and ROEs (return on equity).
- The fund is positive on private sector banks and select PSU banks and NBFCs while remaining cautious on the MFI (microfinance) segment where there is an inch up of stress in terms of asset quality.
- Insurance as a sector is facing headwinds with frequent changes in the regulatory environment. The fund remains selective till clarity emerges on the same



## Market Cap<sup>^^</sup>

Month	Large (%)	Mid (%)	Small (%)	Debt & Money Market (%)
November-24	70.00	11.54	12.61	5.85
October-24	71.35	12.32	14.50	1.83
September-24	70.57	11.78	15.10	2.55
August-24	74.30	11.98	12.27	1.45
July-24	75.09	10.19	13.69	1.03
June-24	78.54	6.48	13.32	1.66



## Top 10 Stocks<sup>^^</sup>

Stocks	% to Net Assets	Stocks	% to Net Assets
HDFC Bank Ltd.	18.65%	Kotak Mahindra Bank Ltd.	4.34%
ICICI Bank Ltd.	17.80%	Shriram Finance Ltd.	3.52%
State Bank Of India	7.65%	Bajaj Finance Ltd.	2.36%
Axis Bank Ltd.	7.42%	Aditya Birla Sun Life AMC Ltd	2.12%
Power Finance Corporation Ltd.	4.41%	360 ONE WAM LTD.	2.10%

## Sector Weights^^

Sector	30th November 2024			31st October 2024			30th September 2024		
	Scheme	Benchmark	Ow/Uw	Scheme	Benchmark	Ow/Uw	Scheme	Benchmark	Ow/Uw
Financial Services	95.23	100.00	-4.77	97.86	100.00	-2.14	97.26	100.00	-2.74
Not Classified	4.77		4.77	2.14		2.14	2.74		2.74

^^Source: <https://www.kotakmf.com/mutual-funds/equity-funds/kotak-banking-and-financial-services-fund/reg-g>

OW – Overweight, UW – Underweight

## What In and What's Out: November 2024\$

New Entry	Complete Exit
-	Jammu & Kashmir Bank Ltd.
	SBI Life Insurance Company Ltd.

## Scheme Performance - Regular Plan Growth Option

February 27, 2023	Kotak Banking and Financial Services Fund - Reg - Growth	Nifty Financial Services TRI #	ALPHA	Nifty 50 TRI ##	Kotak Banking and Financial Services Fund - Reg - Growth (₹)	Nifty Financial Services TRI # (₹)	Nifty 50 TRI ## (₹)
Since Inception	23.32%	19.14%	4.19%	21.97%	14,451	13,601	14,174
Last 1 Year	22.59%	20.92%	1.67%	21.27%	12,259	12,092	12,127

Scheme Inception date is 27/2/2023. Ms. Shibani Sircar Kurian & Mr. Abhishek Bisen have been managing the fund since 27/2/2023. Different plans have different expense structure. The performance details provided herein are of regular plan Past performance may or may not be sustained in future. All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns >= 1 year: CAGR (Compounded Annualised Growth Rate). Note: Point to Point (PTP) Returns in INR shows the value of 10,000/- investment made at inception. Source: ICRA MFI Explorer.# Name of Scheme Benchmark. ## Name of Additional Benchmark. TRI - Total Return Index, In terms of para 6.14 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the performance of the scheme is benchmarked to the Total Return variant (TRI) of the Benchmark Index instead of Price Return Variant (PRI). Alpha is difference of scheme return with benchmark return.

## Scheme Performance - Direct Plan Growth Option

February 27, 2023	Kotak Banking and Financial Services Fund - Dir - Growth	Nifty Financial Services TRI #	ALPHA	Nifty 50 TRI ##	Kotak Banking and Financial Services Fund - Dir - Growth (₹)	Nifty Financial Services TRI # (₹)	Nifty 50 TRI ## (₹)
Since Inception	25.34%	19.14%	6.20%	21.97%	14,869	13,601	14,174
Last 1 Year	24.51%	20.92%	3.59%	21.27%	12,451	12,092	12,127

Scheme Inception date is 27/2/2023. Ms. Shibani Sircar Kurian & Mr. Abhishek Bisen have been managing the fund since 27/2/2023. Different plans have different expense structure. The performance details provided herein are of direct plan Past performance may or may not be sustained in future. All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Returns >= 1 year: CAGR (Compounded Annualised Growth Rate). Note: Point to Point (PTP) Returns in INR shows the value of 10,000/- investment made at inception. Source: ICRA MFI Explorer.# Name of Scheme Benchmark. ## Name of Additional Benchmark. TRI - Total Return Index, In terms of para 6.14 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the performance of the scheme is benchmarked to the Total Return variant (TRI) of the Benchmark Index instead of Price Return Variant (PRI). Alpha is difference of scheme return with benchmark return.

### SIP Performance - Regular Plan Growth Option

Monthly SIP of Rs 10,000	Since Inception	1 Year
Total amount invested (₹)	2,20,000	1,20,000
Total Value as on November 29, 2024 (₹)	2,62,432	1,29,732
<b>Scheme Returns (%)</b>	<b>19.83</b>	<b>15.48</b>
Nifty Financial Services (TRI) Returns (%)	17.64	16.74
Alpha*	2.19	-1.25
Nifty Financial Services (TRI) (₹)#	2,57,649	1,30,502
Nifty 50 (TRI) (₹)^	2,58,645	1,26,207
Nifty 50 (TRI) Returns (%)	18.10	9.80

Scheme Inception : - February 27, 2023. The returns are calculated by XIRR approach assuming investment of ₹10,000/- on the 1st working day of every month. XIRR helps in calculating return on investments given an initial and final value and a series of cash inflows and outflows and taking the time of investment into consideration. Since inception returns are assumed to be starting from the beginning of the subsequent month from the date of inception. The SIP Performance is for Regular Plan – Growth Option Different plans have different expense structure.

#Benchmark; ^Additional Benchmark. TRI – Total Return Index, In terms of para 6.14 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024, the performance of the scheme is benchmarked to the Total Return variant (TRI) of the Benchmark Index instead of Price Return Variant (PRI). Alpha is difference of scheme return with benchmark return.

Disclosures: To Know More about Fund Managers Top 3 & Bottom 3 scheme performance,  
[https://kotakmf.com/documents/Funds\\_Managed\\_by\\_Fund\\_Managers\\_Regular\\_Plan](https://kotakmf.com/documents/Funds_Managed_by_Fund_Managers_Regular_Plan)

### SIP Performance - Direct Plan Growth Option

Monthly SIP of Rs 10,000	Since Inception	1 Year
Total amount invested (₹)	2,20,000	1,20,000
Total Value as on November 29, 2024 (₹)	2,66,692	1,30,852
<b>Scheme Returns (%)</b>	<b>21.77</b>	<b>17.31</b>
Nifty Financial Services (TRI) Returns (%)	17.64	16.74
Alpha*	4.13	0.57
Nifty Financial Services (TRI) (₹)#	2,57,649	1,30,502
Nifty 50 (TRI) (₹)^	2,58,645	1,26,207
Nifty 50 (TRI) Returns (%)	18.10	9.80

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\*All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Source: ICRA MFI Explorer. \*\*\*As per para 1.9 of SEBI Master circular No. SEBI/HO/IMD/IMD-PoD-1/P/CIR/2024/90 dated June 27, 2024

§Source: ICRAMFI Explorer. Standard Deviation is calculated on Annualized basis using 3 years history of monthly returns.

\*\*Total Expense Ratio includes applicable B30 fee and GST as on 30th November 2024.

## Riskometer



The above riskometer is based on the scheme portfolio as on 30th November 2024. An addendum may be issued or updated on the website for new riskometer.

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Past performance may or may not be sustained in future. For detailed portfolio and related disclosures for the scheme please refer our website <https://www.kotakmf.com/Information/forms-and-downloads>. The portfolio and its composition is subject to change and the same position may or may not be sustained in future. The fund manager may make the changes, as per different market conditions and in the best interest of the investors. To view the latest complete performance details of the Scheme kindly refer to the factsheet on our website <https://www.kotakmf.com/Information/forms-and-downloads>.

Investors may consult their financial expert before making any investment decision.

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