



**Fine tune your
investment planning**

Invest in

Baroda Pioneer Short Term Bond Fund

(An Open Ended Income Scheme)

Rated "**Credit Risk Rating mfAAA**"* by ICRA Ltd.

With the rapidly changing global investment market and its effect on the Indian markets managing short-term cash has become a critical decision for companies. And finding the right investment for your short term surplus money is not an easy task. Presenting Baroda Pioneer Short Term Bond Fund, a product that endeavors to optimize returns for the investors by designing a portfolio that will dynamically track interest rate movements and credit compression of short-term bonds.

What is Baroda Pioneer Short Term Bond Fund?

Baroda Pioneer Short Term Bond Fund is a fixed income scheme that will invests entirely in fixed income instruments including Government Securities having residual maturity up to three years.

The objective is to earn returns in the form of interest income and capital gains, commensurate with the current view on the markets and the call on the interest rate cycle and compression of credit spread. The scheme will endeavour to invest in

instruments with relatively higher liquidity bonds and actively trade on duration, depending on the interest rate scenario. The scheme would maintain average maturity of between 1 to 3 years.

What does the short term bond market look like?

Higher accrual yield

- The steepness over 6 months to 3 Year provides a significantly higher accrual yield
- Ride down the yield curve as time passes

Capital gains through compression in spreads and flattening of curve

- Further credit compression in 2Y/3Y segment would generate better return in the short-term fund
- The short-term yield curve (6m-3Y) continues to be steep and any flattening of the yield curve should result in better returns

Investment Strategy

- Baroda Pioneer Short Term Bond Fund aims to generate optimal returns with high liquidity through active investment in short term bonds (1 to 3 years) and money market instruments.
- The scheme would keep the modified duration in the range of 1-2 years
- Trade on across asset class, ratings and maturities upto 3 years
- Liquidity of the scheme would be managed by allocation to short term money market instruments
- The scheme would have lower credit risk with more than 80% allocation to AAA and P1+ or equivalent debt instruments
- Baroda Pioneer Short Term Bond Fund could run average maturity upto three years. Actively trade in liquid debt instruments to generate Alpha in volatile interest rate scenario

What is the asset allocation strategy of the scheme?

Instruments	% of Total Assets	Risk Profile
Debt instruments with residual maturity of 1 - 3 years	60-100	Low to Medium
Debt & Money market instruments with residual maturity of less than 1 year	0-40	Low

What are other scheme details?

Benchmark	CRISIL Short Term Bond Fund Index
Investment Options	a)Growth Option, b)Dividend Option
Load Structure	Entry Load: Nil Exit Load: 0.10% if redeemed on or before 15 days from date of allotment
Minimum Subscription	Rs. 5,000/- and in multiples of Re.1/- thereafter
Minimum Additional Application Amount	Rs. 1,000/- and in multiples of Re.1/- thereafter

Know more about Baroda Pioneer Mutual Fund.

- Baroda Pioneer Asset Management Company Limited is a joint venture between two large and well-established financial services companies - Bank of Baroda and Pioneer Investments S.p.A. (Visit www.barodapioneer.in for more details)
- Baroda Pioneer Mutual Fund products cater to the unique asset management needs of the Indian investor

- Baroda Pioneer Mutual Fund manages average assets of about Rs. 4,759 crs. (as on 31st May '10)
- Our Fixed Income investment philosophy involves active management of key drivers like credit outlook, duration, curve positioning and security selection
- Effective control of risk is an essential element in the management of all Baroda Pioneer products

*ICRA Ltd. has assigned the credit risk rating of mfAAA to Baroda Pioneer Short Term Bond Fund. The rating indicates highest-credit-quality rating assigned by ICRA Ltd. to debt funds. The rated debt fund carries the lowest credit risk, similar to that associated with long-term debt obligations rated in the highest-credit-quality category.

*Pioneer Investments is a trading name of the Pioneer Global Asset Management S.p.A. group of companies ("PGAM"). PGAM is a wholly owned subsidiary of UniCredit S.p.A.

Disclaimer: Investment Objective: Baroda Pioneer Short Term Bond Fund - The objective of the Scheme is to generate income from a portfolio constituted of short term debt and money market securities. **Asset Allocation Pattern:** 60-100% - Debt instruments with residual maturity of 1 - 3 years. 0-40% - Debt & Money market instruments with residual maturity of less than 1 year. **Load: Entry Load** - Nil, **Exit Load:** - 0.10% if redeemed on or before 15 days from the date of allotment. **Terms of Issue and sale & redemption of units:** Issue of units of Rs. 10 each for cash during the New Fund Offer and at NAV based price during the Ongoing Offer. The Scheme offers sale and redemption facility on all Business Days during the Ongoing Offer. The NAV of the Scheme will be calculated and declared for all Business Days. The Scheme Information Document (SID) & Statement of Additional Information (SAI)/ Key Information Memorandum cum Application form (KIM) are available at the AMC, Registrar's Office, Investor Service Centers, at the AMC's website, www.barodapioneer.in and with Distributors. **Statutory Details:** Baroda Pioneer Mutual Fund has been set up as a Trust under the Indian Trust Act, 1882. **Sponsors:** Pioneer Global Asset Management S.p.A and Bank of Baroda. **Trustees:** Board of Trustees of Baroda Pioneer Mutual Fund. Investment Manager: Baroda Pioneer Asset Management Co. Ltd. **Risk Factors: Baroda Pioneer Short Term Bond Fund is only the name of the Scheme and does not in any manner indicate the quality of the Scheme, its future prospects or returns. All Investments in Mutual Funds and securities are subject to market risks and there is no assurance or guarantee that the objective of the Scheme will be achieved. The NAV of the Scheme can go up or down depending upon the factors and forces affecting the capital market. Past performance of the AMC/ Mutual Fund/ sponsors or their group/affiliates is not indicative of and does not guarantee future performance of the Scheme. The sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond their initial contribution of Rs. 10 lakh towards setting up the Mutual Fund and such other accretions and additions to the corpus. Please read the SAI and SID carefully before investing. Investors are advised to refer to the KIM and the details in the SAI, and independently refer to their tax advisor.**

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