



IDFC GOVERNMENT SECURITIES FUND - CONSTANT MATURITY PLAN

(Previously known as IDFC Government Securities Fund Short Term Plan)
An open ended debt scheme investing in government securities having a constant maturity of 10 years

The fund is a mix of government bonds, state development loans (SDLs), treasury bills and/or cash management bills. The fund will predominantly have an average maturity of 10 years.

OUTLOOK

The MPC in its August policy cut the repo rate by 35 bps to 5.40%, while maintaining stance of policy as accommodative. The move to cut was decided with the 35 bps to 25 bps vote counting as 4:2. It may be recalled that Governor Das had earlier floated the idea of challenging the conventional 25 bps moves, with unconventional steps like the one today possibly reaffirming the signaling effect of policy direction as well. The policy is largely in line with the dovish end of expectations. There is no decision with respect to the working group on liquidity management framework. However, the Governor did note the very large surpluses in the system today and reaffirmed the commitment to provide abundant liquidity. Thus the implementation basis the recommendations of the framework is very likely to be consistent with the current market view that RBI as already moved to targeting surplus liquidity.

With this clear stance of the current policy objective alongside weak inflation pressures and a probable overestimation of growth, we reiterate our previously expressed view of a terminal repo rate of 5%, alongside provisioning of comfortable positive liquidity. With liquidity in surplus and banks' credit growth slowing, term spreads seem to be attractive and this remains a continued bullish backdrop for quality bonds.

Fund Features:

Category: Gilt Fund with 10 year constant duration

Monthly Avg AUM: ₹95.99 Crores

Inception Date: 9th March 2002

Fund Manager: Mr. Harshal Joshi (w.e.f. 15th May 2017)

Standard Deviation (Annualized): 4.95%

Modified duration: 6.89 years

Average Maturity: 9.87 years

Yield to Maturity: 6.82%

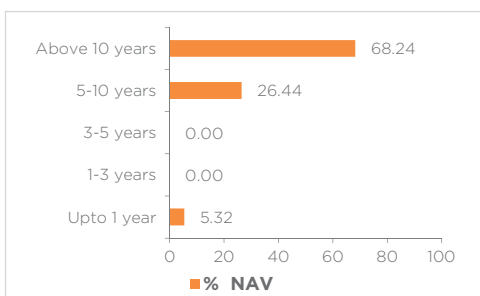
Benchmark: CRISIL 10 year Gilt Index (w.e.f. 28th May 2018)

Minimum Investment Amount: ₹5,000/- and any amount thereafter

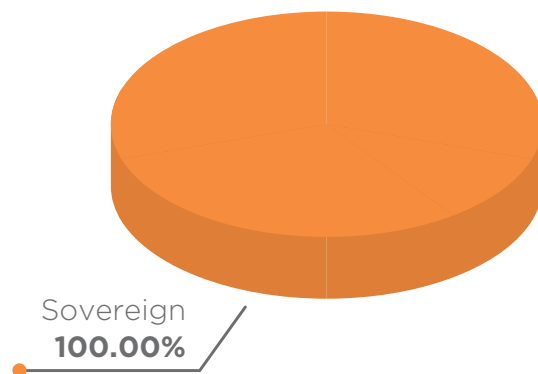
Exit Load: Nil

Options Available: Growth, Dividend - Weekly, Monthly, Quarterly & Periodic

Maturity Bucket:



ASSET QUALITY



PORTFOLIO		(31 July 2019)
Name	Rating	Total (%)
Government Bond		93.68%
6.79% - 2029 G-Sec	SOV	58.02%
7.59% - 2029 G-Sec	SOV	25.44%
7.61% - 2030 G-Sec	SOV	10.22%
State Government Bond		0.99%
8.08% Gujarat SDL - 2028	SOV	0.99%
Net Cash and Cash Equivalent		5.32%
Grand Total		100.00%



This product is suitable for investors who are seeking*:

- To generate optimal returns over long term
- Investments in Government Securities such that the average maturity of the portfolio is around 10 years

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

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