IDFC GOVERNMENT SECURITIES FUND-INVESTMENT PLAN

(Government Securities Fund PF will be merged into Government Securities Fund IP w.e.f. May 7, 2018)
An open ended debt scheme investing in government securities across maturities

A dedicated gilt fund with an objective to generate optimal returns with high liquidity by investing in Government Securities.

Fund Features:

Category: Gilt

Monthly Avg AUM: ₹394.54 Crores

Inception Date: 9th March 2002

Fund Manager: Mr. Suyash Choudhary (Since 15th October 2010)

Standard Deviation (Annualized): 4.51%

Modified duration: 6.66 Years

Average Maturity: 9.25 years

Yield to Maturity: 6.78%

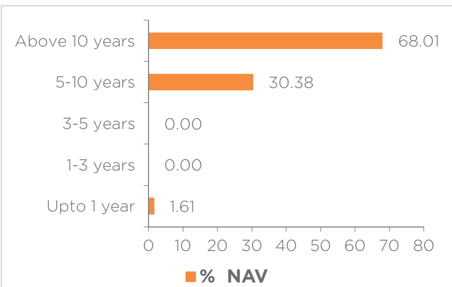
Benchmark: CRISIL Dynamic Gilt Index (w.e.f 01st February, 2019)

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

Exit Load: Nil (w.e.f. 15th July 2011)

Options Available: Growth, Dividend - Quarterly, Half Yearly, Annual, Regular & Periodic

Maturity Bucket:

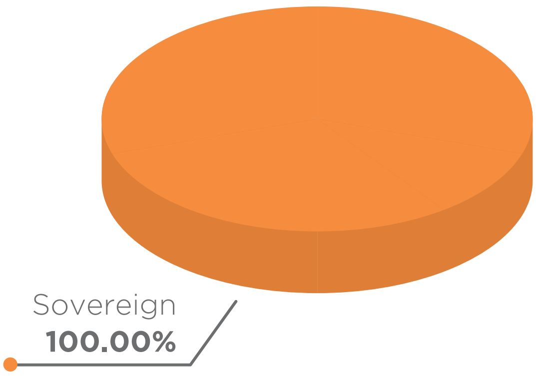


OUTLOOK

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.

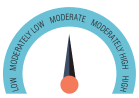
ASSET QUALITY



Gsec/SDL yields have been annualized wherever applicable
Standard Deviation calculated on the basis of 1 year history of monthly data

IDFC MUTUAL FUND

PORTFOLIO		(31 July 2019)
Name	**Rating**	**Total (%)**
Government Bond		**98.39%**
6.79% - 2029 G-Sec	SOV	68.01%
7.27% - 2026 G-Sec	SOV	22.84%
7.59% - 2026 G-Sec	SOV	3.97%
6.79% - 2027 G-Sec	SOV	3.55%
7.17% - 2028 G-Sec	SOV	0.02%
Net Cash and Cash Equivalent		**1.61%**
Grand Total		**100.00%**



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

- To generate long term optimal returns.
- Investments in Government Securities across maturities.

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

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