FUND SPOTLIGHT

IDFC MUTUAL FUND

IDFC BOND FUND - Income Plan

(The fund has been repositioned to Medium to Long Term category w.e.f. July 12, 2018)
(previously known as IDFC Super Saver Income Fund – Investment Plan)
An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years

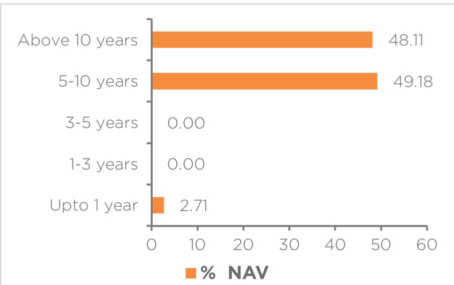
An actively managed bond fund which seeks to invest in highly rated money market and debt instruments (including government securities) and aims to generate stable long term returns through mix of accrual income and capital appreciation.

OUTLOOK

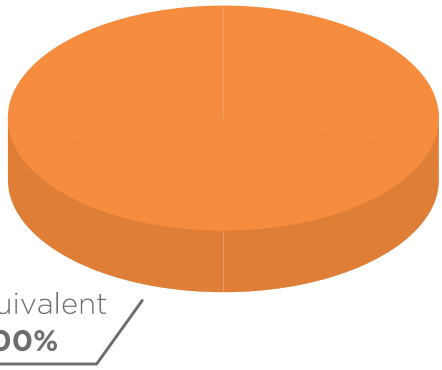
The Monetary Policy Committee (MPC) rate decision to hold its policy rate in its December meeting was against market expectations of a 25bps cut. While not acting in the policy, the MPC nevertheless acknowledged monetary policy space for future action. It also reiterated continuation "with the accommodative stance as long as it is necessary to revive growth, while ensuring that inflation remains within the target". The RBI also downplayed the point about broader transmission, noting that this "has been full and reasonably swift across various money market segments and the private corporate bond market". However, transmission to government bond market has been partial, while credit market transmission remains delayed but is picking up.

Investors should probably breathe a sigh of relief insofar that this provides a longer window to keep locking into front end quality interest rates. A 175 bps odd spread between overnight to 4 year AAA bonds is there for the receiving given our high conviction view of a 'lower for longer' policy regime. Longer end rates will struggle for now, but are also cheap given almost 200 bps spread between overnight and long duration government bonds, and with these bonds currently trading close to the year's predicted nominal GDP growth. However, a sustained move here will depend upon the government not over-exerting the fiscal lever and fresh risk capital entering the system.

Fund Features:
Category: Medium to Long Duration
Monthly Avg AUM: ₹679.51 Crores
Inception Date: 14th July 2000
Fund Manager: Mr. Suyash Choudhary (w.e.f. 15/10/2010)
Standard Deviation (Annualized): 4.37%
Modified Duration: 6.57 years
Average Maturity: 9.89 years
Yield to Maturity: 6.85%
Benchmark: CRISIL Composite Bond Fund Index
Minimum Investment Amount: ₹5,000/- and any amount thereafter.
Exit Load: If redeemed/switched out within 365 days from the date of allotment:
For 10% of investment: Nil
For remaining investment: 1%
If redeemed/switched out after 365 days from the date of allotment: Nil
Options Available: Growth, Dividend - Quarterly, Half Yearly, Annual & Periodic
Maturity Bucket:



ASSET QUALITY



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

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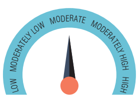
PORTFOLIO (29 November 2019)

Name	Rating	Total (%)
Government Bond		**96.50%**
7.57% - 2033 G-Sec	SOV	48.05%
7.27% - 2026 G-Sec	SOV	45.61%
7.59% - 2026 G-Sec	SOV	2.78%
7.73% - 2034 G-Sec	SOV	0.06%
Corporate Bond		**0.80%**
REC	AAA	0.80%
Net Cash and Cash Equivalent		**2.71%**
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 optimal returns over long term
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 4 years and 7 years

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

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