



IDFC BOND FUND - STP

(Previously known as IDFC Super Saver Income Fund - Short Term Plan)

(IDFC MMF-IP has been merged into IDFC Bond Fund - Short Term w.e.f. 14th May, 2018)

An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years.

A Short Term Income Fund, the portfolio is mostly a mix of short duration debt and money market instruments. The average portfolio maturity will not ordinarily exceed around 2 years.

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: Short Duration

Monthly Avg AUM: ₹10,970.04 Crores

Inception Date: 14th December 2000

Fund Manager: Mr. Suyash Choudhary
(Since 11th March 2011)

Standard Deviation (Annualized):
1.65%

Modified Duration: 1.81 years

Average Maturity: 2.12 years

Yield to Maturity: 6.51%

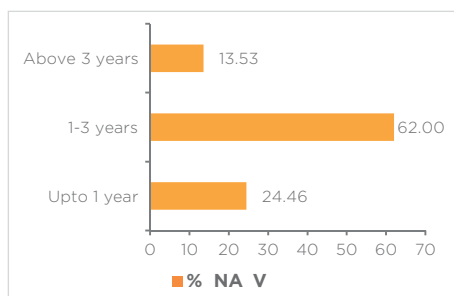
Benchmark: NIFTY AAA Short Duration Bond Index (w.e.f 11/11/2019)

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

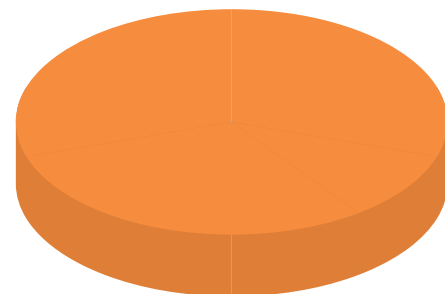
Exit Load: Nil (w.e.f. 23rd May 2016)

Options Available: Growth, Dividend - Fortnightly (Payout, Reinvestment & Sweep), Monthly & Periodic

Maturity Bucket:



ASSET QUALITY



AAA Equivalent
100.00%

Standard Deviation calculated on the basis of 1 year history of monthly data

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

PORTFOLIO (29 November 2019)

Name	Rating	Total (%)
Corporate Bond		91.03%
HDFC	AAA	11.24%
NABARD	AAA	11.16%
Reliance Industries	AAA	10.91%
LIC Housing Finance	AAA	8.07%
Power Finance Corporation	AAA	7.81%
REC	AAA	6.56%
Indian Railway Finance Corporation	AAA	6.53%
National Highways Auth of Ind	AAA	6.36%
Small Industries Dev Bank of India	AAA	4.75%
Power Grid Corporation of India	AAA	4.21%
Bajaj Finance	AAA	3.83%
NTPC	AAA	3.65%
HDB Financial Services	AAA	1.98%
Larsen & Toubro	AAA	1.91%
Kotak Mahindra Prime	AAA	1.21%
Sundaram Finance	AAA	0.67%
M&M Financial Services	AAA	0.13%
Export Import Bank of India	AAA	0.05%
Certificate of Deposit		4.03%
Axis Bank	A1+	3.38%
ICICI Bank	A1+	0.44%
Bank of Baroda	A1+	0.22%
Commercial Paper		1.31%
Kotak Mahindra Prime	A1+	1.09%
HDB Financial Services	A1+	0.22%
Net Cash and Cash Equivalent		3.63%
Grand Total		100.00%



This product is suitable for investors who are seeking*:

- To generate optimal returns over short to medium term
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 1 year and 3 years

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

 Distributed by: