



## IDFC DYNAMIC BOND FUND

An open ended dynamic debt scheme investing across duration

The fund is positioned in the income fund category to take exposure across the curve depending upon the fund manager's underlying interest rate view where we employ the majority of the portfolio. It is a wide structure and conceptually can go anywhere on the curve. The fund plays the trade of the season which we think will sustain for a longer period of time.

### OUTLOOK

The FY20 final Union budget provided an exceptional challenge to sound credible without deviating heavily from the interim budget targets. Given this, the finance minister delivered a remarkable balancing act. As with almost all budgets, revenue numbers will still get challenged especially given the ongoing economic slowdown. However, this is a creditworthy optimising given constraints and leaves the bond market reasonably satisfied. Also noteworthy is the fact that RBI Governor Mr. Das, alongside 2 other Monetary Policy Committee (MPC) members, has seemingly been sympathetic towards some fiscal expansion and would likely have not considered this as a constraint for further easing. With the finance minister actually showing further consolidation, the trigger for further monetary easing becomes even stronger. This alongside RBI's move to positive liquidity (core system liquidity is already around INR 80,000 crores positive and is likely to go towards INR 2,00,000 crores by September post RBI dividend) and the global backdrop of sharply lower yields paints a continued bullish environment for quality interest rates.

#### Fund Features:

**Category:** Dynamic Bond

**Monthly Avg AUM:** ₹1,969.52 Crores

**Inception Date:** 25th June 2002

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

**Standard Deviation (Annualized):** 3.85%

**Modified Duration:** 5.16 years

**Average Maturity:** 8.16 years

**Yield to Maturity:** 7.65%

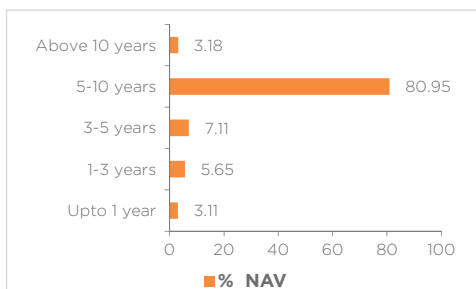
**Benchmark:** CRISIL Composite Bond Fund Index

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

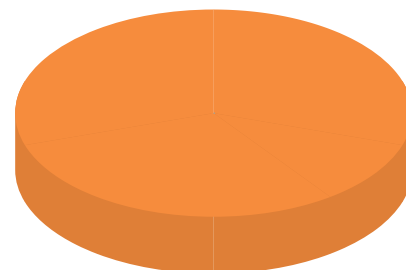
**Exit Load:** Nil (w.e.f. 17th October 2016)

**Options Available:** Growth, Dividend - Quarterly (March, June, September & December), Half Yearly, Annual, Regular & Periodic

#### Maturity Bucket:



### ASSET QUALITY



AAA Equivalent  
100.00%

**PORTFOLIO** (28 June 2019)

Name	Rating	Total (%)
<b>Corporate Bond</b>		<b>66.27%</b>
Indian Railway Finance Corporation	AAA	12.05%
National Highways Auth of Ind	AAA	11.99%
NTPC	AAA	11.85%
Reliance Industries	AAA	11.66%
NABARD	AAA	11.59%
REC	AAA	5.65%
Power Grid Corporation of India	AAA	1.47%
<b>Government Bond</b>		<b>30.58%</b>
7.27% GOI - 2026 G-Sec	SOV	14.12%
7.17% GOI - 2028 G-Sec	SOV	13.28%
7.61% GOI - 2030 G-Sec	SOV	3.18%
8.20% GOI - 2025 G-Sec	SOV	0.01%
<b>State Government Bond</b>		<b>0.03%</b>
8.32% Karnataka SDL - 2029	SOV	0.03%
<b>Net Cash and Cash Equivalent</b>		<b>3.11%</b>
<b>Grand Total</b>		<b>100.00%</b>



This product is suitable for investors who are seeking\*:

- To generate long term optimal returns by active management
- Investments in money market & debt instruments including G-Sec across duration

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

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