



## IDFC BOND FUND - Medium Term Plan

(Previously known as IDFC Super Saver Income Fund – Medium Term Plan)  
An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years

The fund is positioned in the short term fund category and invests in a mix of debt and money market instruments. The overall average maturity of the fund will ordinarily not exceed around 4 years. MT is best suited for investors who want moderate participation.

The around 4 year average maturity cap makes the fund well suited to offer lower volatility yet benefit from potential fall in interest rates.

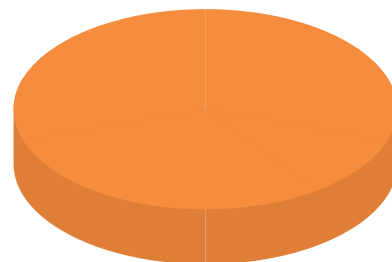
### OUTLOOK

World growth expectations have taken a decided turn towards the worse over the past month or so. This is now reflected in expectations of easing by major central banks later in the year. As an example, the US yield curve is now reasonably inverted upto 10 years with market expecting 2 - 3 rate cuts in the future. Locally as well, there has been a marked deterioration in growth drivers with consumption being the latest casualty, probably courtesy an impact to leverage given the ongoing stresses in certain parts of the financing market. Thus, the current monetary easing underway has to be looked at in this overall context. While currently the expectation would be for one last rate cut alongside continued easy liquidity, this can very quickly change towards expecting a deeper further easing should the global outlook further deteriorate.

The next major domestic trigger is going to be the Union Budget in early July. Given the large undershoots in the actual revenue collections in FY 19 versus even the revised numbers presented in February, the numbers targeted in the interim budget are looking truly daunting. This is especially in context of the ongoing growth slowdown. Thus, the new finance minister will have a tall task to present a credible budget while sticking to the assumed deficit target. In this context, the Jalan committee's report on potential excess RBI reserves and their usage by the government will assume importance.

From a bond market standpoint, the focus should remain on quality rates (sovereign, SDL, AAA) as preferred vehicles to play the current macro environment. As developments continually highlight, the lower rated credit markets are far from settled and the spreads that can effectively be captured there may not yet be compensating for the risks involved.

### ASSET QUALITY



AAA Equivalent

100.00%

#### Fund Features:

**Category:** Medium Duration

**Monthly Avg AUM:** ₹2,374.43 Crores

**Inception Date:** 8th July 2003

**Fund Manager:** Mr. Suyash Choudhary  
(w.e.f. 15/09/2015)

**Standard Deviation (Annualized):** 1.95%

**Modified Duration:** 2.80 years

**Average Maturity:** 3.93 years

**Yield to Maturity:** 7.63%

**Benchmark:** CRISIL Short Term Bond Fund Index

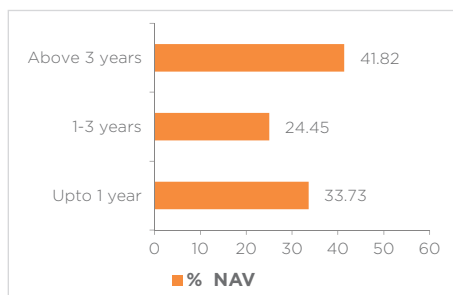
#### Minimum Investment Amount:

₹5,000/- and any amount thereafter

**Exit Load:** NIL (w.e.f. 15th January 2019)

**Options Available:** Growth, Dividend - Daily, Fortnightly (Payout & Reinvestment), Monthly, Bi - Monthly (once in two months), Quarterly & Periodic

#### Maturity Bucket:



**PORTFOLIO** (31 May 2019)

Name	Rating	Total (%)
<b>Corporate Bond</b>		<b>73.81%</b>
NABARD	AAA	11.34%
National Highways Auth of Ind	AAA	9.96%
Reliance Industries	AAA	9.71%
REC	AAA	9.68%
Indian Railway Finance Corporation	AAA	9.10%
Power Finance Corporation	AAA	8.27%
Bajaj Finance	AAA	5.35%
HDFC	AAA	3.56%
HDB Financial Services	AAA	3.07%
NTPC	AAA	2.96%
LIC Housing Finance	AAA	0.83%
<b>Certificate of Deposit</b>		<b>7.58%</b>
Axis Bank	A1+	6.58%
ICICI Bank	A1+	1.00%
<b>Commercial Paper</b>		<b>6.95%</b>
HDFC	A1+	5.99%
HDB Financial Services	A1+	0.96%
<b>Government Bond</b>		<b>4.71%</b>
7.32% - 2024 G-Sec	SOV	2.40%
7.35% - 2024 G-Sec	SOV	2.31%
<b>State Government Bond</b>		<b>3.06%</b>
8.14% Tamil nadu SDL - 2025	SOV	1.69%
9.01% Gujarat SDL - 2024	SOV	1.10%
8.32% Karnataka SDL - 2029	SOV	0.15%
8.37% Tamil Nadu SDL - 2028	SOV	0.08%
8.3% Gujarat SDL - 2029	SOV	0.04%
8.25% Andhra Pradesh SDL - 2023	SOV	0.001%
8.68% Gujarat SDL - 2023	SOV	0.0002%
<b>Zero Coupon Bond</b>		<b>1.01%</b>
Bajaj Finance	AAA	1.01%
<b>Net Cash and Cash Equivalent</b>		<b>2.88%</b>
<b>Grand Total</b>		<b>100.00%</b>



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

- To generate optimal returns over medium term
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 3 years and 4 years

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

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