



## 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.

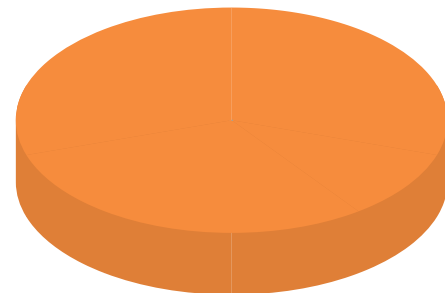
### OUTLOOK

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:** Short Duration

**Monthly Avg AUM:** ₹7,222.66 Crores

**Inception Date:** 14th December 2000

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

**Standard Deviation (Annualized):** 1.54%

**Modified Duration:** 1.70 years

**Average Maturity:** 1.99 years

**Yield to Maturity:** 7.57%

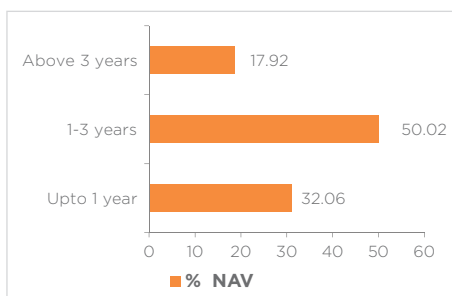
**Benchmark:** CRISIL AAA Short Term Index (w.e.f. 26th September 2016)

**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:



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** (31 May 2019)

Name	Rating	Total (%)
<b>Corporate Bond</b>		<b>84.88%</b>
NABARD	AAA	11.45%
Reliance Industries	AAA	11.37%
HDFC	AAA	7.88%
Power Finance Corporation	AAA	7.83%
REC	AAA	7.81%
National Highways Auth of Ind	AAA	6.37%
Small Industries Dev Bank of India	AAA	6.01%
Indian Railway Finance Corporation	AAA	5.86%
LIC Housing Finance	AAA	5.45%
Power Grid Corporation of India	AAA	3.59%
HDB Financial Services	AAA	2.94%
Larsen & Toubro	AAA	2.68%
Kotak Mahindra Prime	AAA	1.80%
NTPC	AAA	1.78%
Bajaj Finance	AAA	0.86%
Export Import Bank of India	AAA	0.67%
Sundaram Finance	AAA	0.33%
M&M Financial Services	AAA	0.20%
<b>Commercial Paper</b>		<b>7.00%</b>
HDFC	A1+	3.85%
Kotak Mahindra Prime	A1+	3.15%
<b>Certificate of Deposit</b>		<b>5.27%</b>
Axis Bank	A1+	3.98%
ICICI Bank	A1+	1.29%
<b>Net Cash and Cash Equivalent</b>		<b>2.86%</b>
<b>Grand Total</b>		<b>100.00%</b>



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.

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