FUND SPOTLIGHT

IDFC MUTUAL FUND

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.

Fund Features:

Category: Medium Duration

Monthly Avg AUM: ₹2,195.29 Crores

Inception Date: 8th July 2003

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

Standard Deviation (Annualized): 1.72%

Modified Duration: 2.78 years

Average Maturity: 3.92 years

Yield to Maturity: 8.09%

Benchmark: CRISIL Short Term Bond Fund Index

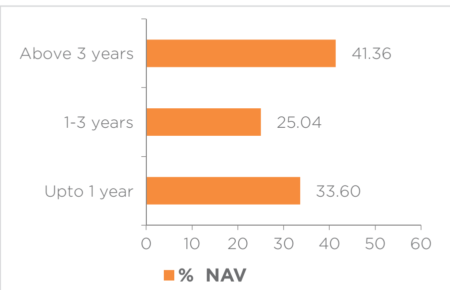
Minimum Investment Amount:

₹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

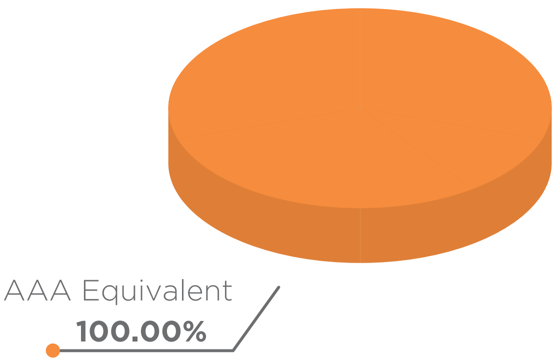
Maturity Bucket:



OUTLOOK

Given the global and local backdrop we expect there is more easing in the pipeline. Moreover, RBI is also increasingly focusing on transmission as it continues its FX swap program & OMO auctions to supply durable liquidity & improve transmission. Certainly front end AAA corporate bonds between 2- 5 years are better placed in terms of risk versus reward to play this environment. The duration part of the curve has frustrated lately due to heavy market positioning pre-policy on expectations of change in stance which did not materialise. Our preference here, as indicated before, is via spread assets like SDLs and the best quality AAA corporate bonds due to relatively favourable demand supply dynamics. Market for lower rated credits remains dislocated and we would continue to advise caution there. There is a genuine liquidity issue in the lower rate space and this is constraining true price discovery as well. One will have to wait for some of these issues to settle down, and in particular allow price discovery to start happening through the open market, before taking any sort of a serious relook at this space.

ASSET QUALITY

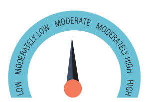


Gsec/SDL yields have been annualized wherever applicable
Standard Deviation calculated on the basis of 1 year history of monthly data

IDFC MUTUAL FUND

PORTFOLIO (30 April 2019)

Name	Rating	Total (%)
Corporate Bond		**77.00%**
NABARD	AAA	10.98%
REC	AAA	9.93%
Reliance Industries	AAA	9.84%
Power Finance Corporation	AAA	9.36%
Indian Railway Finance Corporation	AAA	9.17%
National Highways Auth of Ind	AAA	8.98%
Bajaj Finance	AAA	5.50%
HDFC	AAA	3.63%
NTPC	AAA	3.25%
LIC Housing Finance	AAA	3.20%
HDB Financial Services	AAA	3.16%
Commercial Paper		**6.13%**
HDFC	A1+	6.13%
State Government Bond		**5.18%**
8.25% Andhra Pradesh SDL - 2023	SOV	1.95%
8.14% Tamilnadu SDL - 2025	SOV	1.72%
9.01% Gujarat SDL - 2024	SOV	1.11%
8.32% Karnataka SDL - 2029	SOV	0.15%
7.18% Maharashtra SDL - 2029	SOV	0.12%
8.37% Tamil Nadu SDL - 2028	SOV	0.08%
8.3% Gujarat SDL - 2029	SOV	0.04%
8.68% Gujarat SDL - 2023	SOV	0.0002%
Certificate of Deposit		**5.11%**
Axis Bank	A1+	4.09%
ICICI Bank	A1+	1.03%
Government Bond		**2.13%**
7.32% - 2024 G-Sec	SOV	2.13%
Zero Coupon Bond		**1.04%**
Bajaj Finance	AAA	1.04%
Net Cash and Cash Equivalent		**3.41%**
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 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 ifin doubt about whether the product is suitable for them.

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