



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

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.

Fund Features:

Category: Dynamic Bond

Monthly Avg AUM: ₹1,925.81 Crores

Inception Date: 25th June 2002

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

Standard Deviation (Annualized): 3.43%

Modified Duration: 5.51 years

Average Maturity: 8.16 years

Yield to Maturity: 8.30%

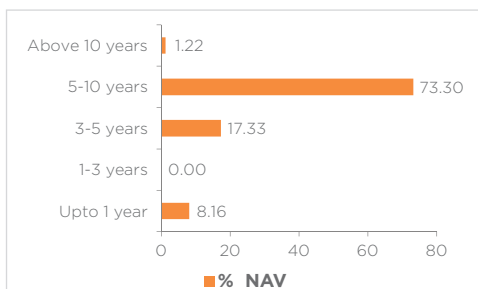
Benchmark: CRISIL Composite Bond Fund Index

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

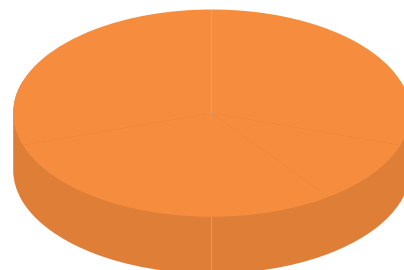
Exit Load: Nil (w.e.f. 17th October 2016)

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

Maturity Bucket:



ASSET QUALITY



AAA Equivalent
100.00%

PORTFOLIO (30 April 2019)

Name	Rating	Total (%)
Corporate Bond		64.01%
Reliance Industries	AAA	11.98%
Indian Railway Finance Corporation	AAA	11.94%
National Highways Auth of Ind	AAA	11.89%
NTPC	AAA	11.70%
NABARD	AAA	9.24%
REC	AAA	5.80%
Power Grid Corporation of India	AAA	1.46%
State Government Bond		33.15%
8.28% Gujarat SDL - 2029	SOV	8.78%
8.25% Andhra Pradesh SDL - 2023	SOV	5.03%
8.24% Gujrat SDL - 2023	SOV	3.44%
8.08% Maharashtra SDL - 2028	SOV	3.38%
8.26% Maharashtra SDL - 2029	SOV	2.63%
8.25% Maharastra SDL - 2025	SOV	1.84%
8.3% Gujarat SDL - 2029	SOV	1.84%
8.08% Gujarat SDL - 2028	SOV	1.82%
8.05% Gujarat SDL - 2029	SOV	1.81%
7.18% Maharashtra SDL - 2029	SOV	1.22%
8.10% Tamil Nadu SDL - 2023	SOV	0.79%
7.95% Tamil Nadu SDL - 2023	SOV	0.52%
8.32% Karnataka SDL - 2029	SOV	0.03%
Government Bond		0.48%
7.35% - 2024 G-Sec	SOV	0.42%
7.32% - 2024 G-Sec	SOV	0.05%
8.20% - 2025 G-Sec	SOV	0.01%
7.17% - 2028 G-Sec	SOV	0.01%
Net Cash and Cash Equivalent		2.36%
Grand Total		100.00%



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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