



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

In its October policy, the monetary policy committee (MPC) voted to cut repo rate by 25 bps to 5.15%. The decision to cut was unanimous although one member wanted a larger 40 bps cut. This is largely in line with market expectations, although lately views of a larger 40 bps cut were also beginning to gain ground.

RBI continues to re-emphasize the important break that the Governor Das RBI has executed from the past: the full deployment of all three pillars of rates, liquidity and guidance. The guidance is the strongest yet with the MPC deciding to continue with an accommodative stance as long as it is necessary to revive growth, while ensuring that inflation remains within the target. Governor Das re-emphasized this in his press conference as well saying that as long as growth momentum remains as it is and till growth revives, RBI will be in accommodative mode. Thus while we may be closer now to the terminal rate in this cycle, investors need to focus on the other more important aspect: that barring an unforeseen global development it is very likely that the policy rate remains around the 5% mark for an extended period of time. The same interpretation will likely hold for the stance around ensuring abundant positive liquidity as well. This will mean that front end rates remain very well anchored. Investors may need to shift focus from looking at only potential mark-to-market gains from falling rates to looking towards 'receiving' the steepness in the curve built into the front end versus the immediate overnight and money market rates. The relative stability that one foresees in policy rates and liquidity should also translate into stability (with easing bias) in quality front end rates. We remain cautious on credit where valuations are still not being backed by narrative.

Fund Features:

Category: Short Duration

Monthly Avg AUM: ₹9,896.37 Crores

Inception Date: 14th December 2000

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

Standard Deviation (Annualized): 1.62%

Modified Duration: 1.78 years

Average Maturity: 2.10 years

Yield to Maturity: 7.05%

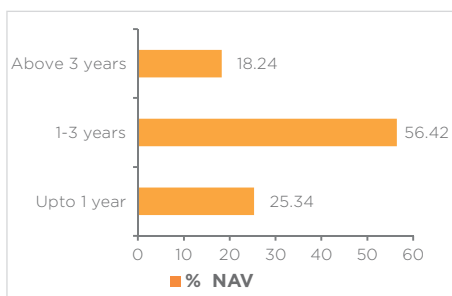
Benchmark: CRISIL AAA Short Term Index (w.e.f. 26th September 2016)

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

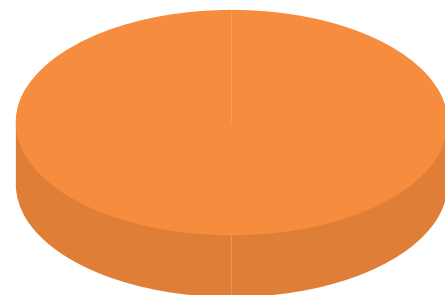
Exit Load: Nil (w.e.f. 23rd May 2016)

Options Available: Growth, Dividend - Fortnightly (Payout, Reinvestment & Sweep), Monthly & Periodic

Maturity Bucket:



ASSET QUALITY



AAA Equivalent
100.00%

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 (30 September 2019)

Name	Rating	Total (%)
Corporate Bond		91.35%
Reliance Industries	AAA	11.30%
NABARD	AAA	11.26%
HDFC	AAA	10.85%
LIC Housing Finance	AAA	8.25%
REC	AAA	7.30%
National Highways Auth of Ind	AAA	7.05%
Indian Railway Finance Corporation	AAA	7.01%
Power Finance Corporation	AAA	6.71%
Small Industries Dev Bank of India	AAA	5.29%
Power Grid Corporation of India	AAA	4.93%
NTPC	AAA	4.09%
HDB Financial Services	AAA	2.22%
Larsen & Toubro	AAA	2.12%
Kotak Mahindra Prime	AAA	1.36%
Sundaram Finance	AAA	0.75%
Bajaj Finance	AAA	0.65%
M&M Financial Services	AAA	0.15%
Export Import Bank of India	AAA	0.05%
Certificate of Deposit		3.45%
Axis Bank	A1+	3.21%
Bank of Baroda	A1+	0.24%
Commercial Paper		1.22%
Kotak Mahindra Prime	A1+	1.22%
Net Cash and Cash Equivalent		3.98%
Grand Total		100.00%



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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