



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

Both the macro and micro frameworks remain reasonably bond bullish and we are happy to continue to participate, although our instruments of choice may keep shifting depending upon relative value within the core interest rate buckets (AAA/SDL/sovereign). Our preference for duration building is now via sovereign papers given the very benign supply environment for government bonds that is likely to come over the second half of the financial year. This may also help further compress term spreads of sovereign versus repo, which otherwise have generally been quite elevated since late 2017 owing to diminishing risk appetites and excess supply overhang.

Also while past comparisons are useful, they must be made with caution. For instance, while demonetization was a significant local development, it must be remembered that a global deflation trade had begun in earnest at the same time with expectations of a US fiscal stimulus from the Trump administration. Also, RBI had embarked in 2017 on a significant OMO sale program thereby significantly adding to gross bond supply just as post demonetization deposit accretion was beginning to fall away. Whereas, the current phase is that of a synchronized global slowdown where local fiscal policy so far has been relatively disciplined. Thus it is not necessary that 'demonetization lows' should actually form some sort of a lower bound to yields in the current environment.

As always, investments need to be considered in 3 buckets of liquidity, core and alpha. In our view it remains a very constructive environment to continue to allocate to AAA front end that chiefly forms part of core allocation bucket.

Fund Features:

Category: Short Duration

Monthly Avg AUM: ₹9,300.32 Crores

Inception Date: 14th December 2000

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

Standard Deviation (Annualized): 1.73%

Modified Duration: 1.80 years

Average Maturity: 2.12 years

Yield to Maturity: 6.96%

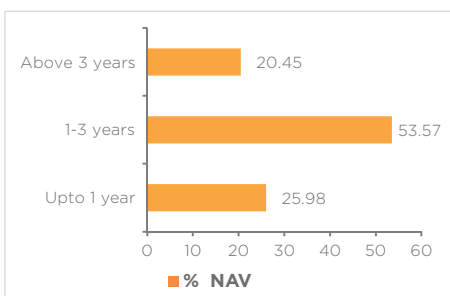
Benchmark: CRISIL AAA Short Term Index (w.e.f. 26th September 2016)

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

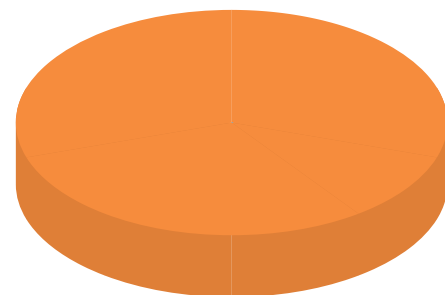
Exit Load: Nil (w.e.f. 23rd May 2016)

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 August 2019)

Name	Rating	Total (%)
Corporate Bond		89.62%
NABARD	AAA	11.47%
Reliance Industries	AAA	11.29%
HDFC	AAA	11.27%
REC	AAA	7.50%
National Highways Auth of Ind	AAA	7.42%
Power Finance Corporation	AAA	6.30%
Indian Railway Finance Corporation	AAA	6.12%
Small Industries Dev Bank of India	AAA	5.57%
LIC Housing Finance	AAA	5.53%
Power Grid Corporation of India	AAA	5.19%
NTPC	AAA	4.31%
HDB Financial Services	AAA	2.32%
Larsen & Toubro	AAA	2.23%
Kotak Mahindra Prime	AAA	1.43%
Sundaram Finance	AAA	0.79%
Bajaj Finance	AAA	0.68%
M&M Financial Services	AAA	0.16%
Export Import Bank of India	AAA	0.06%
Certificate of Deposit		3.96%
Axis Bank	A1+	3.71%
Bank of Baroda	A1+	0.25%
Commercial Paper		2.79%
Kotak Mahindra Prime	A1+	2.54%
HDFC	A1+	0.25%
Net Cash and Cash Equivalent		3.64%
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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