



## IDFC GOVERNMENT SECURITIES FUND-INVESTMENT PLAN

(Government Securities Fund PF will be merged into Government Securities Fund IP w.e.f. May 7, 2018)

An open ended debt scheme investing in government securities across maturities

A dedicated gilt fund with an objective to generate optimal returns with high liquidity by investing in Government Securities.

### 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 reflation 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:** Gilt

**Monthly Avg AUM:** ₹419.86 Crores

**Inception Date:** 9th March 2002

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

**Standard Deviation (Annualized):** 4.43%

**Modified duration:** 6.22 Years

**Average Maturity:** 8.58 years

**Yield to Maturity:** 6.79%

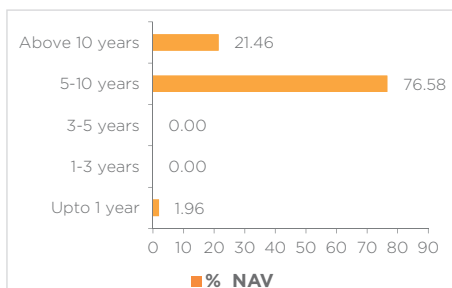
**Benchmark:** CRISIL Dynamic Gilt Index (w.e.f 01<sup>st</sup> February, 2019)

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

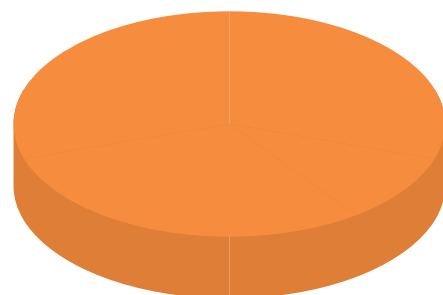
**Exit Load:** Nil (w.e.f. 15th July 2011)

**Options Available:** Growth, Dividend - Quarterly, Half Yearly, Annual, Regular & Periodic

#### Maturity Bucket:



### ASSET QUALITY



Sovereign  
100.00%

**PORTFOLIO** (30 August 2019)

Name	Rating	Total (%)
<b>Government Bond</b>		<b>98.04%</b>
7.17% - 2028 G-Sec	SOV	53.13%
6.79% - 2029 G-Sec	SOV	12.03%
7.59% - 2026 G-Sec	SOV	9.31%
7.61% - 2030 G-Sec	SOV	7.19%
7.59% - 2029 G-Sec	SOV	5.97%
7.27% - 2026 G-Sec	SOV	5.45%
8.24% - 2027 G-Sec	SOV	2.71%
6.68% - 2031 G-Sec	SOV	2.24%
<b>Net Cash and Cash Equivalent</b>		<b>1.96%</b>
<b>Grand Total</b>		<b>100.00%</b>



This product is suitable for investors who are seeking\*:

- To generate long term optimal returns.
- Investments in Government Securities across maturities.

\*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

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