



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

Medium Term Plan is positioned in the medium term fund category. The fund invests in a mix of debt (including G secs) and money market instruments. The fund maintains its Macaulay duration between 3 and 4 years. It is an actively managed fund and invests in high quality instruments.

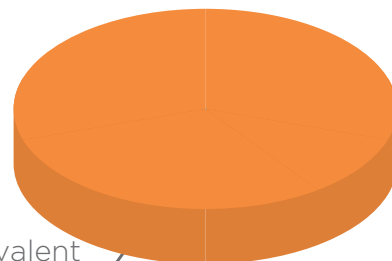
OUTLOOK

The RBI has now put to rest the concern that it was failing to appreciate the required pivot to emergency conditions.

While RBI's policy measures has helped stabilize the market and ease somewhat the very tight financial conditions, more measures can be taken depending upon the efficacy of the first set. It is to be noted that India's last year's growth was already way below its assessed potential growth rate. This underscores the urgency of a meaningful response. Also, the RBI is the only agent in the system currently with the wherewithal to actually provide a sizeable response. An important dimension that remains is for a very large open market operation (OMO) bond buying program. The format globally now is evolving around monetary expansion supporting fiscal policy and India needs to do the same. Thus it is almost a given that India will also have to ramp up its fiscal stimulus in the months to come. The important necessary condition for it to do so is RBI effectively monetizing the incremental deficit.

Now that RBI's hand is revealed, market volatility should substantially lessen allowing investors to focus on the medium term. From this perspective, quality bonds especially in the front end (up to 5 years) offer immense value in our view. Spreads over repo are substantially higher than the average of the past few years and argue for immediate action from investors.

ASSET QUALITY



AAA Equivalent

100.00%

Fund Features:

Category: Medium Duration

Monthly Avg AUM: ₹3,026.66 Crores

Inception Date: 8th July 2003

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

Standard Deviation (Annualized): 2.31%

Modified Duration: 3.73 years

Average Maturity: 4.73 years

Yield to Maturity: 6.73%

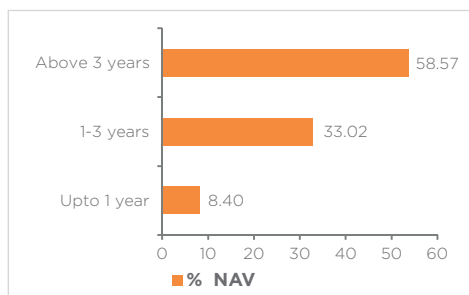
Benchmark: NIFTY AAA Medium Duration Bond Index (w.e.f 11/11/2019)

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

Exit Load: NIL (w.e.f. 15th January 2019)

Options Available: Growth, Dividend - Daily (Reinvestment only) and Fortnightly, Monthly, Bi-monthly, Quarterly and Periodic frequency (each with payout, reinvestment and sweep facility).

Maturity Bucket:



PORTFOLIO (31 March 2020)

Name	Rating	Total (%)
Government Bond		50.24%
6.79% - 2027 G-Sec	SOV	41.28%
7.27% - 2026 G-Sec	SOV	8.37%
7.26% - 2029 G-Sec	SOV	0.59%
Corporate Bond		44.70%
Reliance Industries	AAA	11.97%
Power Finance Corporation	AAA	10.96%
LIC Housing Finance	AAA	7.99%
HDFC	AAA	5.28%
REC	AAA	5.06%
NABARD	AAA	1.42%
National Highways Auth of Ind	AAA	1.02%
Larsen & Toubro	AAA	0.83%
Indian Railway Finance Corporation	AAA	0.18%
PTC		1.26%
First Business Receivables Trust^	AAA(SO)	1.26%
State Government Bond		1.13%
8.25% Maharastra SDL - 2025	SOV	0.53%
8.2% Gujarat SDL - 2025	SOV	0.53%
8.37% Tamil Nadu SDL - 2028	SOV	0.07%
8.25% Andhra Pradesh SDL - 2023	SOV	0.001%
8.68% Gujarat SDL - 2023	SOV	0.0001%
Commercial Paper		0.31%
HDFC	A1+	0.31%
Net Cash and Cash Equivalent		2.35%
Grand Total		100.00%

^PTC originated by Reliance Industries Limited



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 if in doubt about whether the product is suitable for them.

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